

November 3, 2009

Ellen Badley, MHA
Interim Assistant Executive Officer, Health Benefits Branch
CalPERS
400 Q Street
Sacramento, CA 95811

Subject: Actuarial Valuation of the CalPERS Long Term Care Program
as of June 30, 2009

Dear Ms. Badley:

We have attached a revised report summarizing the results of our actuarial valuation of the CalPERS Long Term Care Program as of June 30, 2009. Please note that this report is not meant to serve as complete actuarial documentation. Much additional relevant data/information is available for distribution and can be provided upon request.

This report is organized as follows:

- The first section presents an executive summary of the valuation results and recommendations.
- The following sections present:
 - Scope and background information.
 - The approach used for this valuation.
 - A comparison of actual-to-projected values.
 - A discussion of revised assumptions.
 - Information regarding model construction and fit.
 - Projection results – base case and sensitivity testing.
 - A reconciliation of base case valuation results – 2008 to 2009.
 - Additional perspectives on projection results.
 - Recommendations.
 - Caveats and/or limitations applicable to this valuation.

Additional details are provided in various attachments as described in the report.

Acknowledgments

We would like to acknowledge the efforts of our staff members, who assisted us with nearly every aspect of this project:

Constance D. Rogers, ASA, MAAA
Jevon Brenneman
Michael B. Pfau

Conclusion

Please feel free to contact us directly to discuss anything presented in this report at the contact information listed below the signatures.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl G. Volkmar', with a stylized, cursive script.

Karl G. Volkmar, FSA, MAAA, FCA
Principal & Consulting Actuary
(317) 575-7672
kvolkmar@uhasinc.com

A handwritten signature in black ink, appearing to read 'Clark A. Heitkamp', with a stylized, cursive script.

Clark A. Heitkamp, FSA, MAAA, LTCP
Consulting Actuary
(402) 289-1171
cheitkamp@uhasinc.com

**Actuarial Valuation of the
California Public Employees Retirement System
Long Term Care Program
As of 6/30/2009**

Prepared by:

United Health Actuarial Services, Inc.

Karl G. Volkmar, FSA, MAAA, FCA
Principal & Consulting Actuary

Clark A. Heitkamp, FSA, MAAA, LTCP
Consulting Actuary

November 3, 2009

Executive Summary

United Health Actuarial Services, Inc. (UHAS) was retained by the California Public Employee Retirement System (CalPERS) Long Term Care (LTC) Program to perform an actuarial valuation of CalPERS LTC operations as of June 30, 2009 along with supporting analyses. Specifically, our assignment was to develop a projection of future cash flows and to evaluate the adequacy of current assets and premium levels based on those cash flows.

We utilized our work on the 2008 annual valuation as the starting point for the development of the 2009 valuation.

Briefly, the 2009 valuation process could be summarized as follows:

- We compared assumptions from the 2008 valuation to the actual experience through 6/30/09 and made appropriate modifications for this valuation.
- We developed morbidity assumptions consistent with the revised method utilized in the 2008 valuation that more directly incorporated actual experience by calendar year of issue and underwriting type.
- We developed revised mortality assumptions utilizing the results of a mortality study based on actual program experience and the Social Security Database, and we revised the voluntary lapse assumptions accordingly.
- We confirmed and utilized projected investment returns from CalPERS actuarial staff to verify the assumed investment / discount rate.
- We input final assumptions into our model and ran the model for all scenarios to be tested.

Please note that while we reviewed all valuation assumptions, our primary focus this year was on assumed morbidity and updating mortality and voluntary lapse assumptions. These will be discussed in more detail later in this report.

Given all of the above, we developed projected values using a seriatim projection model, and we used those projected values along with current program financial information to determine the financial standing of the program.

Please note that a Glossary of Terms is included in Attachment K.

Projection Results

In summary, given the range of scenario testing presented in this report, projection results varied widely. Projection results are very sensitive to the underlying assumptions used.

The results of the projection scenario A(1), the “base case” scenario, are summarized in the table below.

Projection Scenario A(1) Summary of Projected Values Inforce Business as of 6/30/09 Present Values @ 7.79% (\$ in Millions)	
Component	Present Value
1. Present Value of Future Benefits	\$5,014.8
2. Present Value of Future Expenses	\$299.8
3. Present Value of Future Premiums (PVFP)	\$2,414.8
4. Valuation Liabilities (= 3 – 1 – 2)	(\$2,899.8)
5. Valuation Assets	\$2,112.6
6. Valuation Surplus/(Deficit) (= 5 + 4)	(\$787.2)
7. Surplus/(Deficit) as a % of PVFP (= 6 / 3)	(32.60%)

Please see the report and attachments for a detailed discussion and summary of projection results.

Recommendations

Given the results of this valuation and supporting analyses, we recommend that we work with CalPERS staff to develop and implement a plan to address the deficit and a strategy to reduce the volatility of the CalPERS LTC Program going forward.

Conclusion

Again, all of this will be discussed in more detail later in this report.

Report

This report summarizes the results of our actuarial valuation of the CalPERS Long Term Care Program as of June 30, 2009. Please note that this report is not meant to serve as complete actuarial documentation for this valuation. Additional data/information can be provided upon request.

Scope and Background Information

United Health Actuarial Services, Inc. (UHAS) was retained by the California Public Employee Retirement System (CalPERS) Long Term Care (LTC) Program to perform an actuarial valuation of CalPERS LTC operations as of June 30, 2009 along with supporting analyses. Specifically, our assignment was to develop a projection of future cash flows and to evaluate the adequacy of current assets and premium levels based on those cash flows.

As the starting point for the development of the 2009 valuation, we utilized our work on the 2008 annual valuation along with previous valuations.

As a reminder, the 2008 annual valuation reported the “base case” deficit as 4.45%.

Valuation Approach

Briefly, the 2009 valuation process could be summarized as follows:

- We compared assumptions from the 2008 valuation to the actual experience through 6/30/09 and made appropriate modifications for this valuation.
- We developed morbidity assumptions consistent with the revised method utilized in the 2008 valuation that more directly incorporated actual experience by calendar year of issue and underwriting type.
- We developed revised mortality assumptions utilizing the results of a mortality study based on actual program experience and the Social Security Database, and we revised the voluntary lapse assumptions accordingly.
- We confirmed and utilized projected investment returns from CalPERS actuarial staff to verify the assumed investment / discount rate.
- We input final assumptions into our model and ran the model for all scenarios to be tested.

Each of these steps is reiterated and discussed in more detail below.

- *We compared assumptions from the 2008 valuation to the actual experience through 6/30/09 and made appropriate modifications for this valuation.*

We reviewed all the assumptions used in the 2008 valuation. A discussion of revised assumptions is included later in this report.

- *We developed morbidity assumptions consistent with the revised method utilized in the 2008 valuation that more directly incorporated actual experience by calendar year of issue and underwriting type.*

Summary: For the benefit designs modeled, we performed detailed select-and-ultimate claim cost analyses and adjusted assumed select-and-ultimate claim costs based on the results of those analyses.

i. Experience Studies

We updated the experience report comparing actual select-and-ultimate program claim costs to expected select-and-ultimate claim costs where the expected claim costs were based on the Long Term Care Group (LTCG) manual assumptions. Because of the level of detail included in the study, claims with an incurred date between 7/08 and 6/09 were excluded (i.e., within twelve months of the valuation date). These claims were excluded because over a third of the total number of claims incurred within a given year are not reported as of the end of that year, and an allocation of these estimated unreported claims could have distorted the results of our study. For all incurred claims included in this study, we used updated payment data through 6/30/09 and claim reserves estimated as of 6/30/09.

ii. Claim Cost Development

We used the following approach with respect to our select-and-ultimate claim cost analyses:

- Using source coverage and claims data files from LTCG and given relevant direction from LTCG actuarial personnel regarding the interpretation and processing of that data, we developed complete inception-to-date exposure and claims databases for the program.
- We added provision for claim reserves and incurred but not reported (IBNR) claim liabilities. The former were added on a seriatim basis, while the latter were allocated across inforce policies not on claim as of the valuation date based on annualized premiums (to the individual policy level).
- The experience report in item i. above continued to confirm that incurred claim experience varies by underwriting type and when a given policy was issued. Using the results of the study and consistent with the 2008 valuation, select-and-ultimate factors were created to modify the LTCG manual selection factors. The result of this step is a set of experience select-and-ultimate factors that vary by calendar year of issue and underwriting type. While these select-and-ultimate factors were developed from actual experience, industry selection wear-off patterns were also considered when determining the lengths of the selection periods as well as the ultimate selection factors for each issue-age band.

- We used the experience select-and-ultimate factors created in the previous step as “gross-up factors” that were used to adjust incurred claims for earlier durations to estimated ultimate levels.
- All incurred claims were grossed up as indicated above.
- We developed a summary of estimated ultimate incurred claim costs by attained-age band and gender for the benefit designs we explicitly modeled.

iii. Modeling

The estimated actual ultimate male and female claim costs for pivotal ages 47, 57, 62, 67, 72, 77, 82 and 87 were adjusted such that they were on the same basis as LTCG manual ultimate claim costs. The experience ultimate claim costs between the pivotal ages were developed using standard interpolation methods. Corresponding claim costs for attained-ages 37 and younger and 97 and older were set at LTCG’s manual ultimate claim costs. Claim costs between 37 and 47 and between 87 and 97 were developed using standard interpolation methods.

In order to validate the experience claim costs, an actual-to-expected claim costs experience study was created using the recently created experience select-and-ultimate claim costs as the expected table. In our opinion, the assumptions we used reasonably reproduce historical experience.

The resulting adjusted claim costs combined with the select-and-ultimate factors were credibility-weighted with the corresponding LTCG manual select-and-ultimate claim costs to develop the assumed claim costs.

iv. Additional Information Applicable to the Development of Morbidity Assumptions

As a reminder, we chose to utilize LTCG’s manual morbidity assumptions as a basis for assumed valuation morbidity as opposed to our own LTC claims database for the following reasons:

- Their manual better reflected experience for the LTC insurance industry as a whole;
- It required relatively few adjustments before it could be utilized for this purpose; and,
- Relevant values had already been developed for prior valuation work and were readily available.

The credibility standards we applied were taken from the results of an analysis dated 5/28/03 performed by the Credibility Subgroup of the American Academy of Actuaries Long-Term Care Reserving Work Group. For credibility-weighting

purposes, we considered “full credibility” to mean that there would be a 90% probability that estimates would fall within 10% of expected claim costs, and we used appropriate program data to develop the minimum claim count needed for each cell in order to ascribe full credibility to the actual experience associated with that cell. We ascribed partial credibility for a given cell based on the relationship between actual claim counts and “full credibility” claim counts; however, any actual claim volume that resulted in less than a 20% credibility-weighting to actual experience was ignored entirely.

- *We developed revised mortality assumptions utilizing the results of a mortality study based on actual program experience and the Social Security Database, and we revised the voluntary lapse assumptions accordingly.*

Generally, deaths are not consistently reported in LTC insurance, and therefore it is customary to compare the historical inforce file to a Social Security Database to properly identifying those that have died rather than those that have lapsed coverage. Accurate mortality assumptions are important when projecting future terminations within a LTC block because as the block ages the mortality becomes a greater proportion of the terminations.

Using the November 2008 Social Security Database, we identified deaths within the CalPERS LTC Program by matching social security numbers, names, and birthdates. In total, over 17,000 deaths were confirmed or identified through this process. Any inconsistencies such as those reported as deaths in the Social Security Database but still active in the CalPERS program were reported to the LTCG.

Using the identified deaths, we compared the actual mortality experience to what was expected using last year’s valuation assumptions. Overall, the previous assumptions were reasonable, but we identified several refinements. In addition, members that were on claim had mortality rates that were two to three times higher than those that were not claim. Because of the significant difference between these two cohorts, we further developed two separate mortality assumptions; one for members not on claim, and one for those on claim. The development of these assumptions is discussed next.

i. Mortality assumptions for members not on claim

The CalPERS LTC Program mortality experience for members not on claim indicates that initially after a member enters the program, the mortality is lower and this lower mortality extends out further than previously assumed. As a result, the revised mortality selection factors were reduced and extended out to ten years. These new selection factors are included in Attachment C.

In addition to modifying the selection factors, attained age adjustment factors were developed and refined to a level that when they were combined with the new

selection factors, the expected deaths for members not on claim equaled the actual deaths.

ii. Mortality assumptions for members on claim

Applying the above mortality assumptions developed for members not on claim to those on claim resulted in actual deaths being 2.5 times higher than expected. Further refining this comparison, the younger members on claim had much higher mortality than members of the same age group that were not on claim. Older members on claim also had higher actual deaths than expected but not nearly as high as the younger members. As a result, additional attained age factors were developed to increase expected mortality for members on claim. These additional factors were developed and refined to a level that produced an expected number of deaths equal to that of the actual level for members on claim.

These assumptions replaced the factors previously used in the 2008 valuation to account for the extra deaths for those on claim.

iii. Resetting the assumed lapse assumptions

Using the revised mortality assumptions, the lapse assumptions were reset. Regarding the analysis performed, we started with the actual termination experience included both voluntary lapses and deaths, and we then backed out the revised assumed mortality to review actual voluntary lapse rates. The reset lapse assumptions were then developed to correspond to the observed actual lapses.

In resetting the lapse assumptions, we closely reviewed termination experience between 7/08 and 6/09 (i.e., within twelve months of the valuation date) because of the potential for increased lapses due to the current economic conditions. In addition, we requested and reviewed updated inforce data as of 7/31/09, (i.e., one additional month after the valuation date) to search for any potential emerging trends. We also reviewed data as of 9/30/09, (i.e., three additional months after the valuation date) to again search for emerging trends. In reviewing the recent experience including the additional data, we have not seen trends that would indicate that a change in assumed lapses to account for the current economic conditions is necessary or warranted.

In addition, we compared recent actual monthly termination rates to those associated with time periods that previous rate increases were implemented and where shock lapses were measured that ranged from 0 – 2% varying by attained-age group. In this comparison, the observed terminations during the rate increase implementation were much greater than those experienced during the recent economic conditions.

As a result of both of these additional analyses, we have not adjusted the voluntary lapse assumptions to reflect the impact of the current economic condition.

iv. Impact to the projected results from the above mortality and lapse changes

The impact from these two changes is described later in the “Reconciliation of Base Case Valuation Results - 2008 to 2009” section.

- *We confirmed and utilized projected investment returns from CalPERS actuarial staff to verify the assumed investment / discount rate.*

The following is a summary of the 2008 CalPERS actuarial staff’s analysis of projected asset earnings for the LTC Program. We confirmed that this same analysis should be used for the 2009 valuation.

Investment returns were simulated for each asset class provided by CalPERS investment office, and the compounded return was calculated over a 25 year period given the asset allocation of the LTC Fund. The investment office provided 5,000 different simulation scenarios. Using these 5,000 simulations, the 25th, 50th and 75th percentiles were calculated. The rates of return provided by the investment office were the real rates of return net of investment expenses. Assuming 3% inflation leads to the following results:

	Percentile(s)		
	<u>25th</u>	<u>50th</u>	<u>75th</u>
Expected Real Return	3.71%	4.79%	5.9%
Inflation	3%	3%	3%
Expected Return	6.71%	7.79%	8.9%

This analysis confirms that our assumed “base case” investment/discount rate of 7.79% is at the 50th percentile, which would be considered best estimate.

- *We input final assumptions into our model and ran the model for all scenarios to be tested.*

Results of the “base case” scenario to be used for financial reporting purposes along with results from other scenarios are discussed later in this report.

A summary of relevant valuation assumptions is included as Attachment C.

Comparison of Actual-to-Projected Values

Please see Attachment D for a summary of actual-to-projected values for the period 7/08-6/09. The actual fund balance as of 6/30/09 does not compare favorably to the corresponding projected fund balance from the 2008 valuation. The primary source of

this negative result is the actual (vs. projected) investment income, which was negative (i.e., a reported loss) during this period. Actual claims and expenses also deviated from projected values, and the valuation assumptions have been updated in such a way that they address those differences as discussed in the next section.

Discussion of Revised Assumptions

This section presents data/information relating to assumption revisions made to the 2009 valuation as compared to the 2008 valuation. The impact of these assumption changes are shown later in the section titled “Reconciliation of Base Case Valuation Results...”. Assumptions are documented in more detail in Attachment C.

Morbidity

The morbidity assumptions are discussed earlier in this document.

Please note that this valuation is based on assumed morbidity more favorable than actual program experience. If actual experience continues to emerge as it has to date, valuation results will deteriorate (e.g., a projected deficit would increase) as the credibility attributable to that experience increases.

Total Terminations - Voluntary Lapsation and Mortality

Our primary assumption revision as compared to last year’s annual valuation relates to assumed mortality. We performed a detailed analysis of actual program termination experience and revised the voluntary lapse and mortality assumptions as we deemed appropriate. This analysis was discussed earlier in this document.

Please note that actual voluntary lapse rates for the CalPERS LTC program continue to be much lower than those experienced in the LTC insurance industry as a whole.

Please note that while assumed lapsation and mortality were revised, they did not change significantly. However, the projection results are very sensitive to changes in these assumptions so the revision did have an impact on projection results. Please see the “Reconciliation of Base Case Valuation Results...” section for more details.

Expenses

Assumed expenses were adjusted to reflect actual changes in expense patterns. The aggregate decrease made only a small impact to the valuation results.

Other Assumptions

All other assumptions are substantially similar to those utilized in the 2008 valuation.

Model Construction and Fit

Given everything presented above, we developed projected values using a proprietary seriatim projection model.

We created a projection model such that projected lives inforce, premiums collected and claims incurred were all consistent with recent historical values. With respect to incurred

claims, we adjusted recent incurred claims to reflect past over-estimates of open claim reserves in early claim durations and in incurred-but-not-reported claims.

Projection Results – Base Case & Sensitivity Testing

The “base case” projection results are summarized in Attachment A(1), where all assumptions are set at “best estimates”. With the updated assumptions and inforce, the deficit is 32.60% compared to the last annual valuation’s deficit of 4.45%.

The program’s estimated financial standing is highly sensitive to the underlying assumptions, so we developed a number of sensitivity tests for review and consideration. The following outlines the sensitivity test scenarios (as compared to the “base case” scenario) associated with the projection results summarized in Attachments A(2) through A(11):

- Attachment A(2) - Investment/discount rate changed to 8.50%.
- Attachment A(3) - LTC base policy claims reduced by 10%.
- Attachment A(4) - Model expenses reduced by 20%.
- Attachment A(5) - Model lapses increased by .25%.
- Attachment A(6) - Investment/discount rate changed to 8.50%, LTC base policy claims reduced by 10%, model expenses reduced by 20%, and model lapses increased by .25%.
- Attachment A(7) - Investment/discount rate changed to 7.00%.
- Attachment A(8) - LTC base policy claims increased by 10%.
- Attachment A(9) - Model expenses increased by 20%.
- Attachment A(10) - Model lapses decreased by .25%.
- Attachment A(11) - Investment/discount rate changed to 7.00%, LTC base policy claims increased by 10%, model expenses increased by 20%, and model lapses decreased by .25%..

A brief summary of projection results is included below:

Scenario	(Deficit)/ Surplus	LTC Claim Adj.	Model Expense Adj.	Model Lapse Adj.	Investment Discount Rate
A(1)	(32.60%)	0%	0%	None	7.79%
A(2)	(16.27%)	0%	0%	None	8.50%
A(3)	(12.05%)	-10%	0%	None	7.79%
A(4)	(30.12%)	0%	-20%	None	7.79%
A(5)	(27.95)%	0%	0%	+.25% all years	7.79%
A(6)	9.52%	-10%	-20%	+.25% all years	8.50%
A(7)	(52.55%)	0%	0%	None	7.00%
A(8)	(53.15%)	+10%	0%	None	7.79%
A(9)	(35.08%)	0%	+20%	None	7.79%
A(10)	(37.37%)	0%	0%	-.25% all years	7.79%
A(11)	(82.80%)	+10%	+20%	-.25% all years	7.00%

In addition to the sensitivity testing summarized above, we performed more robust investment scenarios on the "base case" scenario (i.e., starting discount rate of 7.79%) using the following interest rate scenarios:

- Scenario #1: Level with no deviation.
- Scenario #2: Uniformly increasing over ten years at one-half percent per year and then level.
- Scenario #3: Uniformly increasing over five years at one percent per year, and then uniformly decreasing over five years at one percent per year to the original level at the end of ten years, and then level.
- Scenario #4: An immediate increase of three percent and then level.
- Scenario #5: Uniformly decreasing over ten years at one-half percent per year and then level.
- Scenario #6: Uniformly decreasing over five years at one percent per year, and then uniformly increasing over five years at one percent per year to the original level at the end of ten years, and then level.
- Scenario #7: An immediate decrease of three percent and then level.

Summaries of these cash flow testing results are included as Attachments B(1)-B(7). A brief summary of those results is included below:

Scenario	(Deficit)/ Surplus	LTC Claim Adj.	Model Expense Adj.	Investment Discount Rate
B(1)	(32.60%)	0%	0%	Scenario #1
B(2)	34.78%	0%	0%	Scenario #2
B(3)	(6.92%)	0%	0%	Scenario #3
B(4)	28.24%	0%	0%	Scenario #4
B(5)	(175.16%)	0%	0%	Scenario #5
B(6)	(59.06%)	0%	0%	Scenario #6
B(7)	(121.30%)	0%	0%	Scenario #7

As you can see, two of the seven scenarios resulted in a positive projected surplus position.

In addition to these sensitivity tests, we worked with CalPERS actuarial staff on a modeling process that tests interest/investment rate scenarios developed using a stochastic process. We anticipate a comprehensive description of the analyses and associated results will be provided under separate cover.

Three items to note when reviewing these (and future) valuation projection results:

- Please remember that the results are very sensitive to the assumptions used.

- Along the same line, please remember that assumption changes produce leveraged results. In other words, if an assumption is revised (for example) such that the initial pricing for a product should have been 10% greater, that would increase the projected deficit as of 6/30/09 by approximately 20%.
- All of these results assume that the target is a 0% deficit (i.e., break-even). If a positive target surplus objective for inforce business is adopted for this program, projected surplus/deficit results would need to be adjusted accordingly.

We did not attempt to include projected 2009 and later new business in this valuation – only business inforce as of 6/30/09 was included.

Reconciliation of Base Case Valuation Results - 2008 to 2009

The 2008 valuation result for the “base case” scenario was a present value projection deficit of approximately \$112.4 million (or 4.45% of the present value of future premiums). The corresponding 2009 valuation result was a present value projection deficit of approximately \$787.2 million (or 32.60% of the present value of future premiums).

The reconciliation of these deficits (in millions) can be broken down as follows:

2008 aggregate present-value deficit as of 6/30/08:	(\$112.4)
Adjusted to 6/30/09 (i.e., lost time):	-\$8.2
Updated Inforce:	-\$40.4
Unfavorable FY 2008-2009 experience (esp. investments):	-\$550.8
Revised assumed lapsation and mortality:	+\$63.3
Revised assumed expenses:	+\$23.7
Revised morbidity and mortality claims-related assumptions:	-\$162.4
2009 aggregate present-value deficit as of 6/30/09:	(\$787.2)

The reconciliation of these deficits (as a percent of present-value of premiums) can be broken down as follows:

2008 aggregate present-value deficit as of 6/30/08:	(4.45%)
Adjusted to 6/30/09 (i.e., lost time):	-.6%
Updated Inforce:	-1.6%
Unfavorable FY 2008-2009 experience (esp. investments):	-23%
Revised assumed lapsation and mortality:	+2%
Revised assumed expenses:	+1%
Revised morbidity and mortality claims-related assumptions:	-7%
2009 aggregate present-value deficit as of 6/30/09:	(32.60%)

Essentially, the unfavorable FY 2009 investment experience caused over 80% of the increase in deficit. This is a significant reduction in the Fund Value, but possibly not as high as expected given the current economic conditions in the US and specifically in California.

The next largest change from the previous valuation was the revised morbidity assumptions. The morbidity development process was refined slightly from the previous valuation which caused a larger share of the seven percent decline shown in the above table. This refinement provided guiding principles for making subjective decision making in the process of the morbidity development. Although this refinement, which standardized the process for future valuations, was relatively minor, these minor changes cause a larger impact because of the leveraging previously mentioned. In addition to this change, experience was slightly worse than the past valuation and credibility increased. These items combined resulted in a seven percent increase in deficit from the morbidity change.

A discussion of assumption revisions is included in an earlier section of this report.

Additional Perspectives on Projection Results

The purpose of this section is to provide additional perspectives and data/information relating to the 2009 valuation results. The following items, in no particular order, are presented with this purpose in mind:

- Attachment G is identical to Attachments A(1) and B(1) – the “base case” scenario. In this scenario, as indicated earlier in this report regarding the morbidity development, actual program claim costs were credibility-weighted with corresponding LTCG manual claim costs to develop the assumed claim costs. The credibility standards we applied assume that “full credibility” is defined such that there is a 90% probability that estimates fall within 10% of expected claim costs. The purpose of setting the credibility standards as defined here was to attribute as much credibility to actual program experience as we could reasonably justify given that we thought actual experience might differ significantly from industry manual experience.

We reviewed alternative projection scenarios using differing credibility standards:

- Attachment H summarizes projection results assuming that no credibility can be attributed to actual program experience.

Essentially, this attachment summarizes results assuming that this program experiences what would be considered industry-average experience. As you can see, the projected surplus/(deficit) in this scenario is (9.74%).

Given that assumption changes produce leveraged results as described earlier, the difference between the “base case” projected deficit and the projected deficit shown immediately above indicate that, on average,

assumed morbidity is approximately 12% greater than manual (i.e., LTC industry) morbidity.

- Attachment I summarizes projection results assuming full credibility can be attributed to actual program experience.

As you would expect, the projection results for this scenario has a larger deficit than those summarized in Attachments H. The projected surplus/(deficit) in this scenario is (46.91%). For this scenario, we can determine that the experience morbidity assumptions with 100% credibility are 19% higher than manual/industry experience.

- Attachment J summarizes a variety of inception-to-date statistics from the program. All claims-related statistics are increasing year after year, and we would expect this trend to continue given the increasing age of the inforce block of business. As a result, if you look at the “base case” projection (i.e., Attachments A(1), B(1), or G), projected cash flows excluding investment income turn negative in 2014 and continue that way for the remainder of the projection. If this is correct, then clearly the weight of the funding burden into the future will continue to shift toward investment income (i.e., the size of the fund balance and the return(s) achieved on that balance).

We would be happy to elaborate further on any data/information presented in this section or to discuss or present any additional data/information that might help everyone involved to understand and interpret the valuation results.

Recommendations

Given the results of this valuation and supporting analyses, we recommend that we work with CalPERS staff to develop and implement a plan to address the deficit and a strategy to reduce the volatility of the CalPERS LTC Program going forward.

Caveats and Limitations

Please note the following caveats and limitations with respect this valuation and this report:

- This report has been prepared for the internal use of CalPERS. This report may not be distributed, disclosed, copied, or otherwise furnished to any other party without UHAS’s prior consent.
- UHAS has performed the work assigned and prepared this report assuming it will be utilized by persons technically competent in the areas addressed and for the stated purpose. Judgments should be made only after studying this report in its entirety. We are available to explain and/or amplify anything presented in this report, and it is assumed that the user of this report will seek such explanation and/or amplification regarding any matter in question.

- Nothing included in this report is to be used in any filings with any public body such as the Securities and Exchange Commission or State Insurance Departments, without prior written approval from UHAS. Any distribution of this report must be in its entirety.
- We relied on data and information supplied by CalPERS and LTCG data services personnel. We have not audited or independently verified the information furnished to us. Although we have no reason to suspect the integrity of the underlying data, to the extent that the data are materially flawed, the results of our analysis may be materially impacted. The principal items/materials relied upon include:
 - Data extracts from LTCG's administrative system.
 - Direction from LTCG actuarial personnel regarding the appropriate interpretation and processing of the data provided.
 - Information contained in previous valuation reports and associated correspondence and documentation.
 - Financial information for the program from inception through 6/30/09.
 - Information/analyses/summaries/etc. provided by CalPERS staff and LTCG.
- The assumptions underlying the projection results summarized in this document and attachments are based on program data and experience, industry data and experience, discussions with program management, and informed judgment. We believe the assumptions used are reasonable in the aggregate based on the data/information we have and based on our experience; however, future experience will invariably be different from the projected experience, and other knowledgeable individuals could have different opinions about the appropriateness of any or all of the assumptions used.
- The validity of these projections depends on how actual future experience compares to the valuation assumptions. Assumptions for future morbidity, persistency, expenses, investment return, and other factors are based upon our evaluation of recent experience and anticipated future trends. Actual experience could be more or less favorable. To the extent that actual experience differs from the assumptions underlying this report, actual results will differ from the projection results presented in this report.
- In preparing this report, we have complied with all relevant Actuarial Standards of Practice and any other relevant documents published by the American Academy of Actuaries.
- As indicated previously, this report is not meant to serve as complete actuarial documentation. Much additional relevant data/information is available for distribution and can be provided upon request.

Conclusion

As indicated previously, please feel free to contact us with any questions at:

- Karl G. Volkmar: (317) 575-7672 or via e-mail at kvolkmar@uhasinc.com; or,
- Clark A. Heitkamp: (402) 289-1171 or via e-mail at cheitkamp@uhasinc.com.

Attachment A

Attachment A (1) Base Case

California Public Employees Retirement System Summary of Projected Values All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(787,182,801)	= Standard Program Definition						Investment Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-32.60%	= Standard Program Definition						Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(71,292,800,691)	100.00%				100.00%			
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(53,066,667,620)			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-1046.34%			
Totals - Present Values:	2,414,793,359	4,962,119,690	52,636,410	299,809,955	(2,899,772,696)	1,532,302,101			
As a % of PV(Premiums):	96.27%	197.83%	2.10%	11.95%	-115.61%	61.09%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	181,562,931	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	202,953,890	2,835,423,297
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	223,295,938	3,099,516,754
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	242,527,122	3,348,634,463
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	260,627,069	3,582,527,046
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	277,519,380	3,799,017,808
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	292,988,063	3,994,979,531
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	306,819,323	4,167,987,600
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	318,874,554	4,316,811,800
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	329,230,957	4,446,915,673
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	338,131,724	4,551,065,256
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	344,652,310	4,620,728,365
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	348,482,175	4,653,392,282
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	349,496,665	4,648,276,111
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	347,674,350	4,605,260,233
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	342,929,382	4,521,588,106
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	334,955,883	4,392,334,781
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	323,410,445	4,213,845,159
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	308,119,765	3,985,173,654
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	289,075,310	3,706,598,761
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	266,217,075	3,375,493,674
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	239,224,303	2,986,486,446
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	207,714,256	2,535,360,201
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	171,501,585	2,021,655,034
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	130,649,785	1,446,906,522
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	85,223,960	810,722,110
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	35,110,043	110,798,057
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(19,839,318)	(653,886,658)
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(79,570,942)	(1,480,690,114)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(143,807,162)	(2,365,530,141)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(212,309,512)	(3,306,671,272)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(285,049,094)	(4,304,780,977)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(362,086,990)	(5,360,346,598)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(443,399,116)	(6,472,142,173)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(528,866,151)	(7,638,623,574)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(618,434,776)	(8,860,243,157)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(712,234,111)	(10,139,922,821)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(810,548,059)	(11,482,085,815)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(913,708,072)	(12,890,835,417)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(1,022,003,725)	(14,369,961,023)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(1,135,749,241)	(15,924,285,596)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(1,255,372,287)	(17,560,446,553)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(1,381,436,041)	(19,286,735,071)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(1,514,589,058)	(21,111,916,992)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(1,655,491,037)	(23,044,852,961)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(1,804,833,474)	(25,095,283,721)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(1,963,396,306)	(27,274,284,359)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(2,132,061,060)	(29,594,269,154)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(2,311,803,363)	(32,068,791,155)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(2,503,675,537)	(34,712,329,511)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(2,708,800,915)	(37,540,390,393)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(2,928,386,391)	(40,569,664,547)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(3,163,731,588)	(43,818,123,441)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(3,416,233,596)	(47,305,044,129)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(3,687,388,442)	(51,051,045,362)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(3,978,794,956)	(55,078,146,424)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(4,292,160,812)	(59,409,880,089)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(4,629,312,493)	(64,071,433,206)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(4,992,204,833)	(69,089,753,899)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(2,193,730,228)	(71,292,800,691)

Attachment A (2)

Investment Rate at 8.50%

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%									Starting Rate:	8.50%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(375,100,692)	= Standard Program Definition								Investment Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-16.27%	= Standard Program Definition								Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(50,895,463,708)	100.00%				100.00%					
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(32,569,450,940)					
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-642.19%					
Totals - Present Values:	2,305,002,047	4,464,316,578	50,460,375	277,915,681	(2,487,690,587)	2,826,713,017					
As a % of PV(Premiums):	96.35%	186.61%	2.11%	11.62%	-103.98%	118.16%					

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	89,804,221	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	198,731,675	2,272,247,883
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	223,533,210	2,581,355,847
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	247,480,137	2,880,534,054
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	270,521,339	3,168,811,711
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	292,652,008	3,445,923,637
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	313,807,630	3,711,841,158
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	333,772,334	3,964,620,171
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	352,332,573	4,201,366,165
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	369,356,850	4,419,887,484
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	384,949,473	4,619,193,979
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	399,399,189	4,805,016,369
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	411,723,709	4,970,433,416
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	421,605,595	5,107,167,924
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	428,929,833	5,212,955,261
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	433,694,913	5,287,272,258
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	438,830,884	5,330,276,942
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	435,029,029	5,339,506,317
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	430,939,273	5,310,326,138
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	423,396,527	5,239,365,343
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	412,416,262	5,125,970,599
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	397,960,023	4,970,736,659
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	379,706,644	4,771,374,520
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	357,267,110	4,522,849,633
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	330,467,140	4,221,276,243
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	299,405,011	3,866,536,632
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	264,183,899	3,460,543,346
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	224,714,702	3,003,318,873
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	180,873,974	2,492,999,478
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	132,759,004	1,929,028,056
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	80,715,895	1,314,554,546
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	25,053,967	654,237,575
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(34,140,112)	(49,540,076)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(96,872,982)	(796,740,799)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(163,054,159)	(1,587,092,492)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(232,482,973)	(2,418,543,111)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(305,024,124)	(3,288,641,333)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(380,734,309)	(4,196,850,265)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(380,734,309)	(5,145,030,127)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(542,586,186)	(6,136,478,066)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(629,208,565)	(7,174,105,782)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(719,935,323)	(8,260,436,228)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(815,118,672)	(9,398,946,883)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(915,252,292)	(10,594,854,225)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(1,020,917,170)	(11,854,958,994)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(1,132,700,726)	(13,186,469,026)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(1,251,218,899)	(14,596,614,684)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(1,377,177,688)	(16,093,430,869)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(1,511,387,663)	(17,686,212,888)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(1,654,756,052)	(19,385,524,287)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(1,808,267,968)	(21,202,998,977)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(1,972,980,291)	(23,151,129,764)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(2,150,035,431)	(25,243,370,023)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(2,340,671,489)	(27,494,293,216)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(2,546,227,699)	(29,919,692,011)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(2,768,146,329)	(32,536,606,802)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(3,007,977,255)	(35,363,365,922)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(3,267,384,954)	(38,419,649,283)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(3,548,159,870)	(41,726,607,090)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(3,852,229,430)	(45,307,007,582)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(1,700,794,271)	(49,185,352,873)
									(50,895,463,708)

Attachment A (3)

Morbidity 10% Lower

California Public Employees Retirement System

Summary of Projected Values

All Plans

										Starting Rate:	Annual
Proposed Rate Increase - 7/1/2009:										Investment Rate:	Scenario 1
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):										Discount Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):											
Fund Balance @ End of Projection:											
Totals - 7/2009 thru 6/2069:											
As a % of Premiums:											
Totals - Present Values:											
As a % of PV(Premiums):											
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance		
7-12	2009	162,948	148,134,320	59,771,654	2,828,558	9,039,046	76,495,063	82,564,640	2,112,589,895		
1-12	2010	158,821	288,416,703	138,239,227	5,903,871	18,537,402	125,736,202	182,666,728	2,271,649,598		
1-12	2011	154,628	277,938,997	158,965,407	6,166,137	19,499,632	93,307,821	205,428,082	2,580,052,528		
1-12	2012	150,332	267,502,159	179,974,560	6,295,863	20,437,043	60,794,693	227,428,396	2,878,788,431		
1-12	2013	145,930	257,065,055	200,564,665	6,278,285	21,346,554	28,875,550	248,627,630	3,167,011,520		
1-12	2014	141,450	246,681,219	220,524,775	6,137,112	22,251,067	(2,231,734)	269,024,350	3,444,514,701		
1-12	2015	136,903	236,328,214	241,387,110	5,963,156	23,185,775	(34,207,827)	288,567,567	3,711,307,317		
1-12	2016	132,290	226,008,175	263,915,500	5,761,114	24,033,956	(67,702,395)	307,081,416	3,965,667,057		
1-12	2017	127,589	215,742,556	287,326,337	5,495,970	24,806,355	(101,886,106)	324,394,611	4,205,046,078		
1-12	2018	122,800	205,516,347	310,431,270	5,134,805	25,508,264	(135,557,991)	340,405,237	4,427,554,583		
1-12	2019	117,958	195,498,497	327,389,034	4,700,466	26,159,521	(162,750,524)	355,207,778	4,632,401,829		
1-12	2020	113,090	185,487,682	349,552,910	4,275,327	26,802,374	(195,142,930)	369,048,117	4,824,859,083		
1-12	2021	108,205	175,517,549	377,267,989	3,878,309	27,441,787	(233,070,536)	381,120,477	4,998,764,271		
1-12	2022	103,293	165,718,610	405,037,257	3,505,374	27,990,098	(270,814,118)	391,175,728	5,146,814,212		
1-12	2023	98,348	156,078,208	431,253,897	3,100,655	28,419,392	(306,695,736)	399,135,438	5,267,175,822		
1-12	2024	93,400	146,620,288	455,277,033	2,692,425	28,754,721	(340,103,891)	399,135,438	5,359,615,523		
1-12	2025	88,483	137,355,277	479,317,170	2,345,614	29,036,539	(373,344,046)	405,016,800	5,424,528,431		
1-12	2026	83,608	128,298,285	505,058,099	2,067,814	29,264,014	(408,091,642)	408,781,417	5,459,965,803		
1-12	2027	78,772	119,472,097	531,160,930	1,829,339	29,364,015	(442,882,186)	410,195,270	5,462,069,431		
1-12	2028	73,971	110,888,086	555,111,784	1,588,737	29,299,749	(475,112,184)	408,994,529	5,428,181,774		
1-12	2029	69,225	102,553,665	575,758,299	1,355,704	29,116,720	(503,677,058)	405,072,863	5,358,142,452		
1-12	2030	64,546	94,456,599	595,458,736	1,167,046	28,990,897	(531,160,080)	398,476,378	5,252,941,773		
1-12	2031	59,952	86,595,088	616,538,297	1,014,754	28,769,313	(559,727,276)	389,207,756	5,110,989,449		
1-12	2032	55,448	79,001,516	637,726,188	888,099	28,369,265	(587,982,036)	377,038,993	4,928,301,166		
1-12	2033	51,041	71,708,292	655,548,774	761,447	27,766,069	(612,367,998)	361,692,455	4,702,011,584		
1-12	2034	46,749	64,740,216	668,274,381	632,519	26,978,904	(631,145,588)	343,074,109	4,432,717,695		
1-12	2035	42,603	58,103,189	677,649,833	508,156	26,059,147	(646,113,946)	321,319,978	4,122,892,086		
1-12	2036	38,634	51,836,087	685,291,922	406,256	25,028,458	(658,890,550)	296,573,416	3,773,351,555		
1-12	2037	34,850	45,967,146	689,949,527	333,190	23,868,767	(668,184,338)	268,822,849	3,383,283,854		
1-12	2038	31,254	40,513,005	688,406,370	271,244	22,578,308	(670,742,917)	238,034,073	2,953,133,590		
1-12	2039	27,859	35,475,872	679,599,246	214,286	21,184,179	(665,521,838)	204,361,325	2,486,751,998		
1-12	2040	24,691	30,857,630	665,802,119	162,382	19,746,735	(654,853,606)	168,169,287	1,989,399,447		
1-12	2041	21,767	26,665,246	649,163,433	119,892	18,313,261	(640,931,340)	129,795,951	1,464,341,792		
1-12	2042	19,084	22,897,834	629,453,925	89,548	16,893,748	(623,539,387)	89,399,858	912,810,310		
1-12	2043	16,633	19,540,165	605,155,474	69,935	15,471,719	(601,156,963)	47,068,755	336,339,679		
1-12	2044	14,409	16,571,784	576,073,816	54,060	14,050,955	(573,607,047)	2,977,807	(261,839,477)		
1-12	2045	12,409	13,964,568	543,993,925	42,042	12,669,639	(542,741,038)	(42,599,672)	(878,046,197)		
1-12	2046	10,630	11,693,784	510,976,921	32,018	11,355,185	(510,670,340)	(89,437,536)	(1,510,224,771)		
1-12	2047	9,056	9,732,349	478,084,455	23,491	10,118,843	(478,494,440)	(137,460,361)	(2,158,355,472)		
1-12	2048	7,673	8,053,181	444,702,299	17,147	8,963,897	(478,494,440)	(186,717,416)	(2,823,567,328)		
1-12	2049	6,461	6,626,595	410,267,478	12,224	7,883,499	(445,630,163)	(237,284,992)	(3,506,482,482)		
1-12	2050	5,403	5,418,837	375,393,765	8,202	6,881,784	(411,536,606)	(289,184,573)	(4,207,203,661)		
1-12	2051	4,490	4,401,769	341,299,074	5,375	5,963,870	(376,864,914)	(342,441,428)	(4,926,510,003)		
1-12	2052	3,708	3,552,104	308,944,340	3,623	5,129,470	(342,866,550)	(397,163,172)	(5,666,539,725)		
1-12	2053	3,042	2,847,905	278,151,231	2,268	4,381,577	(310,525,329)	(453,557,968)	(6,430,623,022)		
1-12	2054	2,478	2,269,012	248,395,946	1,304	3,717,144	(279,687,170)	(511,887,752)	(7,222,197,944)		
1-12	2055	2,004	1,795,753	219,834,537	621	3,131,823	(249,845,382)	(572,399,577)	(8,044,442,903)		
1-12	2056	1,609	1,410,697	192,953,627	146	2,621,963	(221,171,227)	(635,342,231)	(8,900,956,361)		
1-12	2057	1,282	1,099,674	168,158,342	-	2,180,806	(194,165,040)	(701,015,117)	(9,796,136,518)		
1-12	2058	1,014	850,545	145,592,592	-	1,799,637	(169,239,475)	(769,777,792)	(10,735,153,785)		
1-12	2059	797	653,006	125,139,479	-	1,471,960	(146,541,683)	(842,040,747)	(11,723,736,215)		
1-12	2060	622	497,957	106,707,299	-	1,194,259	(125,958,433)	(918,247,097)	(12,767,941,745)		
1-12	2061	483	377,189	90,272,717	-	961,933	(107,403,600)	(998,864,645)	(13,874,209,990)		
1-12	2062	372	283,621	75,816,833	-	770,001	(90,857,461)	(1,084,394,124)	(15,049,461,575)		
1-12	2063	285	211,747	63,257,686	-	612,522	(76,303,214)	(1,175,374,132)	(16,301,138,921)		
1-12	2064	217	157,003	52,457,395	-	483,800	(63,658,460)	(1,272,381,839)	(17,637,179,220)		
1-12	2065	164	115,641	43,237,836	-	379,706	(52,784,192)	(1,376,030,457)	(19,065,993,869)		
1-12	2066	123	84,646	35,425,060	-	296,322	(43,501,902)	(1,486,968,601)	(20,596,464,372)		
1-12	2067	92	61,558	28,865,187	-	229,751	(35,636,735)	(1,605,881,271)	(22,237,982,378)		
1-12	2068	68	44,453	23,384,955	-	177,030	(29,033,380)	(1,733,494,026)	(24,000,509,783)		
1-6	2069	60	15,643	8,344,483	-	60,559	(23,517,532)	(1,870,576,392)	(25,894,603,707)		
							(8,389,399)	(822,281,072)	(26,725,274,178)		

Attachment A (4) Expenses 20% Lower

California Public Employees Retirement System Summary of Projected Values All Plans

							Starting Rate:		Annual
							Investment Rate:		Scenario 1
							Discount Rate:		Scenario 1
Proposed Rate Increase - 7/1/2009:		0.00%							
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):		(727,220,810)		= Standard Program Definition					
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):		-30.12%		= Standard Program Definition					
Fund Balance @ End of Projection:		(65,907,265,537)		100.00%		80.00%			
Totals - 7/2009 thru 6/2069:		4,813,972,514		24,549,570,717		94,145,910		766,249,580	
As a % of Premiums:		94.92%		484.06%		1.86%		15.11%	
								(20,595,993,693)	
								(47,838,920,964)	
								-943.26%	
Totals - Present Values:		2,414,793,359		4,962,119,690		52,636,410		239,847,964	
As a % of PV(Premiums):		96.27%		197.83%		2.10%		9.56%	
								(2,839,810,705)	
								1,749,252,814	
								69.74%	
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	7,231,237	71,661,577	82,475,591	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	14,829,922	114,083,769	181,846,819	2,266,727,063
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	15,599,706	79,544,924	203,556,095	2,562,657,651
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	16,349,634	44,884,928	224,256,093	2,845,758,670
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	17,077,243	10,859,898	243,887,446	3,114,899,691
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	17,800,854	(22,284,273)	262,432,857	3,369,647,035
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	18,548,620	(56,391,462)	279,819,512	3,609,795,618
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	19,227,165	(92,219,548)	295,835,254	3,833,223,668
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	19,845,084	(128,849,984)	310,268,777	4,036,839,373
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	20,406,611	(164,948,701)	322,984,632	4,218,258,167
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	20,927,617	(193,895,179)	334,063,664	4,376,294,098
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	21,441,900	(228,621,667)	343,753,261	4,516,462,583
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	21,953,429	(269,500,844)	351,134,333	4,631,594,178
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	22,392,078	(310,220,238)	355,901,078	4,713,227,667
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	22,735,514	(348,928,957)	357,933,009	4,758,908,506
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	23,003,777	(384,939,284)	357,213,329	4,767,912,558
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	23,229,231	(420,794,202)	357,213,329	4,740,186,603
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	23,411,211	(458,356,405)	353,661,590	4,673,053,991
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	23,491,212	(496,027,264)	346,978,416	4,561,676,001
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	23,439,800	(530,931,321)	336,826,480	4,402,475,217
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	23,293,376	(561,826,858)	323,038,166	4,194,582,062
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	23,192,717	(591,523,983)	305,610,959	3,938,366,163
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	23,015,450	(622,477,669)	284,493,499	3,631,335,680
1-12	2032	55,448	79,001,516	708,584,653	888,099	22,695,412	(653,166,648)	259,374,697	3,268,232,709
1-12	2033	51,041	71,708,292	728,387,527	761,447	22,212,855	(679,653,537)	229,879,836	2,844,945,896
1-12	2034	46,749	64,740,216	742,527,090	632,519	21,947,343	(700,002,516)	195,831,563	2,361,123,922
1-12	2035	42,603	58,103,189	752,944,259	508,156	20,847,317	(716,196,543)	157,301,858	1,818,423,265
1-12	2036	38,634	51,836,087	761,435,469	406,256	20,022,767	(730,028,405)	114,365,660	1,216,592,382
1-12	2037	34,850	45,967,146	766,610,586	333,190	19,095,014	(740,071,643)	66,920,193	553,484,171
1-12	2038	31,254	40,513,005	764,895,967	271,244	18,062,646	(742,716,852)	14,830,125	(171,757,347)
1-12	2039	27,859	35,475,872	755,110,273	214,286	16,947,343	(736,796,030)	(41,838,552)	(956,312,751)
1-12	2040	24,691	30,857,630	739,780,133	162,382	15,797,388	(724,882,272)	(102,794,210)	(1,795,902,991)
1-12	2041	21,767	26,665,246	721,292,704	119,892	14,650,609	(709,397,959)	(167,782,595)	(2,688,567,858)
1-12	2042	19,084	22,897,834	699,393,250	89,548	13,514,998	(690,099,962)	(236,756,867)	(3,634,722,683)
1-12	2043	16,633	19,540,165	672,394,971	69,935	12,377,375	(665,302,116)	(309,758,260)	(4,634,580,905)
1-12	2044	14,409	16,571,784	640,082,017	54,060	11,240,764	(634,805,058)	(386,741,695)	(5,686,624,716)
1-12	2045	12,409	13,964,568	604,437,695	42,042	10,135,711	(600,650,880)	(467,564,958)	(6,788,994,732)
1-12	2046	10,630	11,693,784	567,752,134	32,018	9,084,148	(565,174,517)	(552,149,952)	(7,941,795,565)
1-12	2047	9,056	9,732,349	531,204,950	23,491	8,095,074	(529,591,166)	(640,598,458)	(9,147,568,539)
1-12	2048	7,673	8,053,181	494,113,666	17,147	7,171,118	(493,248,750)	(733,164,650)	(10,410,324,355)
1-12	2049	6,461	6,626,595	455,852,754	12,224	6,306,799	(455,545,181)	(830,147,771)	(11,733,720,876)
1-12	2050	5,403	5,418,837	417,104,183	8,202	5,505,427	(417,198,975)	(931,802,781)	(13,121,068,838)
1-12	2051	4,490	4,401,769	379,221,194	5,375	4,771,096	(379,595,896)	(1,038,406,603)	(14,576,674,417)
1-12	2052	3,708	3,552,104	343,271,489	3,623	4,103,576	(343,826,583)	(1,150,346,565)	(16,106,616,877)
1-12	2053	3,042	2,847,905	309,056,923	2,268	3,505,262	(309,716,547)	(1,268,142,399)	(17,718,585,859)
1-12	2054	2,478	2,269,012	275,995,495	1,304	2,973,715	(276,701,502)	(1,392,395,764)	(19,420,698,170)
1-12	2055	2,004	1,795,753	244,260,596	621	2,505,458	(244,970,922)	(1,523,715,812)	(21,221,115,484)
1-12	2056	1,609	1,410,697	214,392,919	146	2,097,571	(215,079,939)	(1,662,739,633)	(23,128,826,039)
1-12	2057	1,282	1,099,674	186,842,603	-	1,744,645	(187,487,574)	(1,810,188,560)	(25,154,094,538)
1-12	2058	1,014	850,545	161,769,547	-	1,439,709	(162,358,711)	(1,966,881,043)	(27,308,463,155)
1-12	2059	797	653,006	139,043,865	-	1,177,568	(139,568,427)	(2,133,724,834)	(29,604,546,700)
1-12	2060	622	497,957	118,563,665	-	955,407	(119,021,115)	(2,311,699,228)	(32,055,814,354)
1-12	2061	483	377,189	100,303,019	-	769,546	(100,695,376)	(2,501,848,905)	(34,676,684,375)
1-12	2062	372	283,621	84,240,926	-	616,001	(84,573,306)	(2,705,296,050)	(37,482,675,801)
1-12	2063	285	211,747	70,286,318	-	490,017	(70,564,588)	(2,923,249,041)	(40,490,498,148)
1-12	2064	217	157,003	58,285,994	-	387,040	(58,516,031)	(3,157,006,709)	(43,718,069,445)
1-12	2065	164	115,641	48,042,041	-	303,765	(48,230,165)	(3,407,959,258)	(47,184,544,733)
1-12	2066	123	84,646	39,361,177	-	237,057	(39,513,588)	(3,677,591,528)	(50,910,366,426)
1-12	2067	92	61,558	32,072,430	-	183,801	(32,194,673)	(3,967,488,384)	(54,917,368,398)
1-12	2068	68	44,453	25,983,283	-	141,624	(26,080,454)	(4,279,343,996)	(59,228,907,066)
1-6	2069	60	15,643	9,271,648	-	48,447	(9,304,452)	(4,614,970,630)	(63,869,958,150)
								(2,028,002,934)	(65,907,265,537)

Attachment A (5) Lapses .25% Higher

California Public Employees Retirement System Summary of Projected Values All Plans

						Starting Rate:		Annual	
						Investment Rate:		Scenario 1	
						Discount Rate:		Scenario 1	
Proposed Rate Increase - 7/1/2009:		0.00%							
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):		(662,461,340)		= Standard Program Definition					
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):		-27.95%		= Standard Program Definition					
Fund Balance @ End of Projection:		(60,091,066,178)		100.00%		100.00%			
Totals - 7/2009 thru 6/2069:		4,672,471,360		23,182,724,066		94,145,910		912,704,333	
As a % of Premiums:		94.94%		471.07%		1.91%		18.55%	
						(19,517,102,950)		(43,064,911,013)	
								-396.59%	
								-875.08%	
Totals - Present Values:		2,370,414,100		4,801,317,601		52,636,410		291,511,324	
As a % of PV(Premiums):		96.28%		195.01%		2.14%		11.84%	
						(2,775,051,235)		1,829,565,359	
								-112.71%	
								74.31%	
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,742	148,005,236	66,412,251	2,828,558	9,032,897	69,731,530	82,439,192	2,112,589,895
1-12	2010	158,221	287,612,603	153,555,902	5,903,871	18,495,164	109,657,666	181,526,942	2,264,760,617
1-12	2011	153,656	276,453,630	176,431,322	6,166,137	19,413,763	74,442,408	202,837,790	2,555,945,225
1-12	2012	149,011	265,391,098	199,495,472	6,295,863	20,303,499	39,296,264	223,062,989	2,833,225,422
1-12	2013	144,284	254,383,835	221,967,932	6,278,285	21,161,530	4,976,089	242,152,223	3,095,584,675
1-12	2014	139,502	243,484,529	243,618,138	6,137,112	22,010,722	(28,281,442)	260,097,422	3,342,712,987
1-12	2015	134,678	232,670,311	266,131,133	5,963,156	22,885,788	(62,309,765)	276,835,739	3,574,528,966
1-12	2016	129,812	221,942,567	290,340,429	5,761,114	23,662,089	(97,821,064)	292,167,685	3,789,054,940
1-12	2017	124,884	211,321,698	315,383,883	5,495,970	24,359,136	(133,917,291)	305,897,487	3,983,401,561
1-12	2018	119,894	200,792,340	339,964,971	5,134,805	24,983,516	(169,290,952)	317,904,084	4,155,381,756
1-12	2019	114,876	190,521,542	357,608,749	4,700,466	25,555,107	(197,342,780)	328,281,749	4,303,994,889
1-12	2020	109,858	180,306,921	380,877,943	4,275,327	26,115,363	(230,961,711)	337,292,991	4,434,933,857
1-12	2021	104,848	170,180,310	410,120,350	3,878,309	26,669,236	(270,487,584)	344,038,464	4,541,265,137
1-12	2022	99,836	160,269,877	439,257,524	3,505,374	27,131,919	(309,624,939)	348,234,681	4,614,816,017
1-12	2023	94,817	150,561,836	466,569,335	3,100,655	27,477,104	(346,585,258)	349,781,885	4,653,425,759
1-12	2024	89,820	141,077,854	491,380,916	2,692,425	27,729,787	(380,725,275)	348,680,806	4,656,622,386
1-12	2025	84,876	131,826,313	516,071,101	2,345,614	27,929,506	(414,519,908)	348,680,806	4,624,577,917
1-12	2026	79,998	122,819,939	542,440,882	2,067,814	28,075,913	(449,764,670)	344,870,402	4,554,928,412
1-12	2027	75,180	114,078,747	569,060,368	1,829,339	28,099,514	(484,910,474)	338,078,562	4,443,242,304
1-12	2028	70,420	105,611,770	593,259,848	1,588,737	27,966,146	(517,202,961)	327,998,744	4,286,330,573
1-12	2029	65,736	97,424,205	613,829,268	1,355,704	27,720,203	(545,480,970)	314,489,106	4,083,616,718
1-12	2030	61,138	89,502,511	633,274,723	1,167,046	27,529,442	(572,468,700)	297,566,401	3,835,702,149
1-12	2031	56,643	81,842,997	654,056,427	1,014,754	27,248,819	(600,477,003)	277,199,035	3,540,432,485
1-12	2032	52,255	74,474,337	674,837,095	888,099	26,800,957	(628,051,814)	253,108,467	3,193,063,949
1-12	2033	47,980	67,425,028	691,977,080	761,447	26,163,890	(651,477,390)	224,958,898	2,789,971,033
1-12	2034	43,834	60,716,153	703,682,368	632,519	25,357,047	(668,955,781)	192,602,939	2,331,096,583
1-12	2035	39,845	54,350,812	711,802,691	508,156	24,429,850	(682,389,884)	158,128,995	1,818,269,797
1-12	2036	36,041	48,362,811	718,045,128	406,256	23,403,511	(693,492,085)	115,627,175	1,251,507,088
1-12	2037	32,429	42,775,707	721,130,645	333,190	22,261,981	(700,950,108)	71,019,352	629,034,355
1-12	2038	29,009	37,602,066	717,753,945	271,244	21,004,520	(701,427,643)	22,196,386	(49,719,367)
1-12	2039	25,792	32,840,941	706,855,225	214,286	19,657,145	(693,885,715)	(30,763,478)	(781,910,488)
1-12	2040	22,801	28,491,019	690,822,952	162,382	18,276,384	(680,770,699)	(87,573,398)	(1,563,369,601)
1-12	2041	20,049	24,555,643	671,905,024	119,892	16,906,169	(664,375,442)	(147,984,251)	(2,392,124,551)
1-12	2042	17,533	21,030,895	649,898,013	89,548	15,555,672	(644,512,338)	(211,942,518)	(3,268,442,511)
1-12	2043	15,242	17,899,739	623,279,456	69,935	14,209,687	(619,659,340)	(279,478,717)	(4,192,433,566)
1-12	2044	13,170	15,140,518	591,884,339	54,060	12,871,660	(589,669,543)	(350,545,784)	(5,162,638,690)
1-12	2045	11,314	12,724,765	557,562,818	42,042	11,576,425	(556,456,519)	(425,009,303)	(6,177,317,536)
1-12	2046	9,666	10,627,363	522,434,212	32,018	10,348,670	(522,187,538)	(502,796,553)	(7,236,570,608)
1-12	2047	8,214	8,821,310	487,589,939	23,491	9,198,135	(487,990,255)	(584,002,362)	(8,342,760,507)
1-12	2048	6,942	7,279,886	452,417,998	17,147	8,127,247	(453,282,507)	(668,862,868)	(9,499,613,630)
1-12	2049	5,830	5,974,292	416,357,214	12,224	7,129,232	(417,524,378)	(757,656,857)	(10,710,552,993)
1-12	2050	4,863	4,872,342	380,030,906	8,202	6,207,278	(381,374,044)	(850,623,989)	(11,978,701,361)
1-12	2051	4,031	3,947,214	344,664,107	5,375	5,365,425	(346,087,693)	(948,025,040)	(13,308,100,444)
1-12	2052	3,320	3,176,696	311,215,604	3,623	4,602,814	(312,645,345)	(1,050,221,980)	(14,704,410,118)
1-12	2053	2,717	2,540,018	279,499,100	2,268	3,921,528	(280,882,877)	(1,157,697,237)	(16,174,752,699)
1-12	2054	2,208	2,018,202	248,982,804	1,304	3,318,234	(250,284,141)	(1,271,007,772)	(17,726,643,348)
1-12	2055	1,781	1,592,892	219,811,698	621	2,788,474	(221,007,900)	(1,390,717,872)	(19,367,645,361)
1-12	2056	1,426	1,247,901	192,457,978	146	2,328,447	(193,538,671)	(1,517,417,458)	(21,106,070,719)
1-12	2057	1,133	970,088	167,310,946	-	1,931,642	(168,272,500)	(1,651,772,513)	(22,951,381,904)
1-12	2058	894	748,236	144,498,992	-	1,589,881	(145,340,637)	(1,794,536,462)	(24,914,190,866)
1-12	2059	701	572,858	123,891,446	-	1,297,021	(124,615,609)	(1,946,543,069)	(27,006,074,572)
1-12	2060	546	435,619	105,381,701	-	1,049,595	(105,995,678)	(2,108,690,521)	(29,239,380,702)
1-12	2061	422	329,045	88,930,706	-	843,221	(89,444,882)	(2,281,936,006)	(31,627,312,386)
1-12	2062	325	246,724	74,504,619	-	673,228	(74,931,123)	(2,467,306,504)	(34,184,063,772)
1-12	2063	248	183,681	62,008,766	-	534,156	(62,359,241)	(2,665,906,623)	(36,924,901,518)
1-12	2064	188	135,808	51,294,529	-	420,814	(51,579,535)	(2,878,922,526)	(39,866,183,285)
1-12	2065	142	99,745	42,175,136	-	329,420	(42,404,811)	(3,107,622,960)	(43,025,385,779)
1-12	2066	106	72,803	34,469,456	-	256,416	(34,653,069)	(3,353,362,376)	(46,421,152,966)
1-12	2067	79	52,794	28,017,506	-	198,299	(28,163,011)	(3,617,585,989)	(50,073,392,025)
1-12	2068	58	38,014	22,642,432	-	152,402	(22,756,820)	(3,901,838,276)	(54,003,393,312)
1-6	2069	51	13,353	8,065,192	-	52,033	(8,103,873)	(4,207,771,098)	(58,233,921,230)
								(1,849,041,076)	(60,091,066,178)

Attachment A (6) **Combination of A(2), A(3), A(4), and A(5)**

California Public Employees Retirement System Summary of Projected Values All Plans

								Starting Rate:	Annual
Proposed Rate Increase - 7/1/2009:				0.00%				Investment Rate:	8.50%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):				215,436,297	= Standard Program Definition			Discount Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):				9.52%	= Standard Program Definition				Scenario 1
Fund Balance @ End of Projection:				27,728,610,832	90.00%	80.00%			
Totals - 7/2009 thru 6/2069:				4,672,471,360	20,864,451,660	94,145,910	730,163,467	(17,016,289,676)	42,820,077,198
As a % of Premiums:				94.94%	423.97%	1.91%	14.84%	-345.77%	870.11%
Totals - Present Values:				2,264,149,710	3,894,386,823	50,460,375	216,456,110	(1,897,153,598)	4,887,422,049
As a % of PV(Premiums):				96.35%	165.72%	2.15%	9.21%	-80.73%	207.98%
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,742	148,005,236	59,771,026	2,828,558	7,226,318	78,179,334	89,972,782	2,112,589,895
1-12	2010	158,221	287,612,603	138,200,312	5,903,871	14,796,131	128,712,289	200,206,367	2,280,742,011
1-12	2011	153,656	276,453,630	158,788,190	6,166,137	15,531,011	95,968,293	226,771,476	2,609,660,667
1-12	2012	149,011	265,391,098	179,545,925	6,295,863	16,242,799	63,306,511	252,809,802	2,932,400,436
1-12	2013	144,284	254,383,835	199,771,138	6,278,285	16,929,224	31,405,188	278,311,666	3,248,516,750
1-12	2014	139,502	243,484,529	219,256,324	6,137,112	17,608,577	482,516	303,312,192	3,558,233,603
1-12	2015	134,678	232,670,311	239,518,019	5,963,156	18,308,630	(31,119,495)	327,796,202	3,862,028,311
1-12	2016	129,812	221,942,567	261,306,386	5,761,114	18,929,671	(64,054,604)	351,617,042	4,158,705,019
1-12	2017	124,884	211,321,698	283,845,495	5,495,970	19,487,309	(97,507,075)	374,633,892	4,446,267,456
1-12	2018	119,894	200,792,340	305,968,474	5,134,805	19,986,813	(130,297,752)	396,782,923	4,723,394,274
1-12	2019	114,876	190,521,542	321,847,874	4,700,466	20,444,086	(156,470,884)	418,216,034	4,989,879,444
1-12	2020	109,858	180,306,921	342,790,148	4,275,327	20,892,290	(187,650,844)	439,257,300	5,251,624,595
1-12	2021	104,848	170,180,310	369,108,315	3,878,309	21,335,388	(224,141,702)	459,094,552	5,503,231,051
1-12	2022	99,836	160,269,877	395,331,771	3,505,374	21,705,535	(260,272,803)	477,520,925	5,738,183,900
1-12	2023	94,817	150,561,836	419,912,401	3,100,655	21,981,683	(294,432,904)	494,514,362	5,955,432,023
1-12	2024	89,820	141,077,854	442,242,824	2,692,425	22,183,830	(326,041,226)	510,157,534	6,155,513,481
1-12	2025	84,876	131,826,313	464,463,991	2,345,614	22,343,605	(357,326,897)	524,479,478	6,339,629,789
1-12	2026	79,998	122,819,939	488,196,794	2,067,814	22,460,731	(389,905,399)	537,309,104	6,506,782,371
1-12	2027	75,180	114,078,747	512,154,331	1,829,339	22,479,612	(422,384,535)	548,447,451	6,654,186,076
1-12	2028	70,420	105,611,770	533,933,863	1,588,737	22,372,917	(452,283,747)	557,863,802	6,780,248,992
1-12	2029	65,736	97,424,205	552,446,341	1,355,704	22,176,163	(478,554,002)	565,691,671	6,885,829,047
1-12	2030	61,138	89,502,511	569,947,251	1,167,046	22,023,553	(503,635,339)	572,028,195	6,972,966,716
1-12	2031	56,643	81,842,997	588,650,785	1,014,754	21,799,055	(529,621,596)	576,738,573	7,041,359,572
1-12	2032	52,255	74,474,337	607,353,386	888,099	21,440,766	(555,207,913)	579,640,439	7,088,476,548
1-12	2033	47,980	67,425,028	622,779,372	761,447	20,931,112	(577,046,904)	580,746,650	7,112,909,075
1-12	2034	43,834	60,716,153	633,314,132	632,519	20,285,637	(593,516,135)	580,314,363	7,116,608,821
1-12	2035	39,845	54,350,812	640,622,421	508,156	19,543,880	(606,323,645)	578,618,095	7,103,407,050
1-12	2036	36,041	48,362,811	646,240,615	406,256	18,722,809	(617,006,869)	575,783,986	7,075,701,501
1-12	2037	32,429	42,775,707	649,017,580	333,190	17,809,585	(624,384,648)	571,924,343	7,034,478,618
1-12	2038	29,009	37,602,066	645,978,550	271,244	16,803,616	(625,451,344)	569,904,906	6,982,018,313
1-12	2039	25,792	32,840,941	636,169,703	214,286	15,725,716	(619,268,764)	567,353,439	6,923,920,408
1-12	2040	22,801	28,491,019	621,740,657	162,382	14,621,107	(608,033,127)	562,611,496	6,867,263,140
1-12	2041	20,049	24,555,643	604,714,522	119,892	13,524,935	(593,803,705)	558,226,186	6,817,456,199
1-12	2042	17,533	21,030,895	584,908,212	89,548	12,444,538	(576,411,403)	554,559,338	6,778,211,831
1-12	2043	15,242	17,899,739	560,951,510	69,935	11,367,750	(554,489,457)	551,916,994	6,753,717,423
1-12	2044	13,170	15,140,518	532,695,906	54,060	10,297,328	(527,906,777)	550,709,539	6,749,937,504
1-12	2045	11,314	12,724,765	501,806,536	42,042	9,261,140	(498,384,952)	551,464,228	6,732,494,956
1-12	2046	9,666	10,627,363	470,190,791	32,018	8,278,936	(467,874,382)	554,682,399	6,732,532,588
1-12	2047	8,214	8,821,310	438,830,945	23,491	7,358,508	(437,391,634)	560,737,947	6,922,655,967
1-12	2048	6,942	7,279,886	407,176,199	17,147	6,501,797	(406,415,257)	569,904,906	7,055,169,239
1-12	2049	5,830	5,974,292	374,721,492	12,224	5,703,386	(374,462,810)	582,456,557	7,231,210,539
1-12	2050	4,863	4,872,342	342,027,816	8,202	4,965,822	(342,129,497)	598,748,877	7,455,496,605
1-12	2051	4,031	3,947,214	310,197,696	5,375	4,292,340	(310,548,197)	619,165,480	7,732,532,588
1-12	2052	3,320	3,176,696	280,094,044	3,623	3,682,251	(280,603,221)	644,042,993	8,066,027,384
1-12	2053	2,717	2,540,018	251,549,190	2,268	3,137,222	(252,148,662)	673,655,817	8,459,079,980
1-12	2054	2,208	2,018,202	224,084,524	1,304	2,654,587	(224,722,214)	708,265,186	8,915,196,505
1-12	2055	1,781	1,592,892	197,830,528	621	2,230,779	(198,469,036)	748,189,768	9,438,664,059
1-12	2056	1,426	1,247,901	173,212,180	146	1,862,758	(173,827,184)	793,793,139	10,033,988,163
1-12	2057	1,133	970,088	150,579,851	-	1,545,314	(151,155,077)	845,440,058	10,705,601,036
1-12	2058	894	748,236	130,049,093	-	1,271,905	(130,572,762)	903,491,187	11,457,937,146
1-12	2059	701	572,858	111,502,302	-	1,037,617	(111,967,061)	968,316,413	12,295,680,797
1-12	2060	546	435,619	94,843,531	-	839,676	(95,247,589)	1,040,317,413	13,224,031,150
1-12	2061	422	329,045	80,037,636	-	674,577	(80,383,167)	1,119,940,673	14,248,724,234
1-12	2062	325	246,724	67,054,157	-	538,583	(67,346,015)	1,207,675,217	15,376,016,284
1-12	2063	248	183,681	55,807,890	-	427,325	(56,051,533)	1,304,053,873	16,612,724,142
1-12	2064	188	135,808	46,165,076	-	336,651	(46,365,919)	1,409,659,076	17,966,331,685
1-12	2065	142	99,745	37,957,622	-	263,536	(38,121,413)	1,525,132,324	19,445,098,090
1-12	2066	106	72,803	31,022,510	-	205,133	(31,154,841)	1,651,182,464	21,058,159,141
1-12	2067	79	52,794	25,215,755	-	158,639	(25,321,600)	1,788,593,027	22,815,597,328
1-12	2068	58	38,014	20,378,188	-	121,921	(20,462,096)	1,938,227,170	24,728,502,898
1-6	2069	51	13,353	7,258,673	-	41,626	(7,286,947)	2,101,034,077	26,809,074,879
								926,822,901	27,728,610,832

Attachment A (7)

Investment Rate at 7.00%

California Public Employees Retirement System

Summary of Projected Values

All Plans

								Starting Rate:	Annual
								Investment Rate:	7.00%
								Discount Rate:	Scenario 1
								Scenario 1	
Proposed Rate Increase - 7/1/2009:			0.00%						
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):			(1,339,744,373)		= Standard Program Definition				
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):			-52.55%		= Standard Program Definition				
Fund Balance @ End of Projection:			(77,757,534,663)		100.00%		100.00%		
Totals - 7/2009 thru 6/2069:			4,813,972,514		24,549,570,717		94,145,910		957,811,975
As a % of Premiums:			94.92%		484.06%		1.86%		18.89%
							(20,787,556,088)		(59,523,990,204)
									-409.88%
									-1173.66%
Totals - Present Values:			2,549,441,901		5,618,764,342		55,264,212		327,747,615
As a % of PV(Premiums):			96.18%		211.98%		2.08%		12.37%
							(3,452,334,268)		114,565,831
									-130.25%
									4.32%
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	74,220,518	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	162,579,570	2,256,664,181
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	180,470,909	2,529,620,039
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	197,174,731	2,785,735,946
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	212,625,697	3,023,708,197
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	226,795,570	3,242,924,481
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	239,605,130	3,442,985,564
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	250,849,568	3,621,562,077
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	260,326,907	3,775,385,306
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	267,903,577	3,901,900,959
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	273,640,533	3,999,754,182
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	277,745,814	4,074,267,631
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	279,376,371	4,118,031,304
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	278,246,783	4,122,418,473
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	274,240,258	4,084,846,998
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	267,333,262	4,004,474,420
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	257,444,083	3,881,117,453
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	244,293,616	3,711,960,027
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	242,924,435	3,492,044,435
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	227,571,056	3,217,715,424
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	207,120,789	2,888,044,942
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	182,936,427	2,503,331,167
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	154,965,307	2,060,974,312
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	122,920,983	1,555,663,764
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	86,463,893	983,287,156
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	45,434,972	343,515,376
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	(99,487)	(361,982,407)
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	(50,071,717)	(1,133,462,497)
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(104,574,760)	(1,973,071,354)
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(163,729,952)	(2,881,646,702)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(227,476,517)	(3,856,355,733)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(295,551,536)	(4,892,940,134)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(367,728,508)	(5,989,500,261)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(443,970,079)	(7,146,530,951)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(524,318,966)	(8,364,328,629)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(608,740,311)	(9,641,465,400)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(697,112,531)	(10,976,193,180)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(789,373,595)	(12,368,751,583)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(885,624,741)	(13,821,821,877)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(986,104,288)	(15,339,541,099)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(1,091,090,008)	(16,925,672,637)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(1,200,818,296)	(18,583,612,814)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(1,315,544,022)	(20,317,732,168)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(1,435,619,871)	(22,134,140,709)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(1,561,515,040)	(24,040,508,226)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(1,693,768,805)	(26,044,869,894)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(1,832,922,794)	(28,155,237,618)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(1,979,538,971)	(30,380,373,876)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(2,134,249,725)	(32,730,227,933)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(2,297,768,398)	(35,215,920,065)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(2,470,881,102)	(37,849,519,806)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(2,654,429,590)	(40,643,812,215)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(2,849,304,685)	(43,612,376,867)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(3,056,456,026)	(46,769,720,656)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(3,276,898,566)	(50,131,346,528)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(3,511,714,914)	(53,713,748,534)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(3,762,054,564)	(57,534,415,889)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(4,029,135,131)	(61,611,857,126)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(4,314,245,348)	(65,965,675,327)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(4,618,751,386)	(70,616,667,336)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(4,944,102,525)	(75,586,885,721)
								(2,161,332,379)	(77,757,534,663)

Attachment A (8) Morbidity 10% Higher

California Public Employees Retirement System Summary of Projected Values All Plans

										Starting Rate:	7.79%
Proposed Rate Increase - 7/1/2009:										Investment Rate:	Scenario 1
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):										Discount Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):											
Fund Balance @ End of Projection:											
Totals - 7/2009 thru 6/2069:			4,813,972,514	27,004,527,788	94,145,910	957,811,975	(23,242,513,159)	(95,458,887,350)			
As a % of Premiums:			94.92%	532.46%	1.86%	18.89%	-458.28%	-1882.21%			
Totals - Present Values:			2,414,793,359	5,458,331,659	52,636,410	299,809,955	(3,395,984,665)	(89,578,087)			
As a % of PV(Premiums):			96.27%	217.61%	2.10%	11.95%	-135.39%	-3.57%			
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance		
7-12	2009	162,948	148,134,320	73,054,243	2,828,558	9,039,046	63,212,473	82,318,414	2,112,589,895		
1-12	2010	158,821	288,416,703	168,959,055	5,903,871	18,537,402	95,016,374	180,459,134	2,258,120,782		
1-12	2011	154,628	277,938,997	194,291,053	6,166,137	19,499,632	57,982,175	200,479,697	2,533,596,290		
1-12	2012	150,332	267,502,159	219,968,907	6,295,863	20,437,043	20,800,346	219,163,479	2,792,058,162		
1-12	2013	145,930	257,065,055	245,134,591	6,278,285	21,346,554	(15,694,375)	236,426,613	3,032,021,987		
1-12	2014	141,450	246,681,219	269,530,280	6,137,112	22,251,067	(51,237,239)	252,229,788	3,252,754,225		
1-12	2015	136,903	236,328,214	295,028,689	5,963,156	23,185,775	(87,849,407)	266,471,192	3,453,746,774		
1-12	2016	132,290	226,008,175	322,563,389	5,761,114	24,033,956	(126,350,284)	278,894,710	3,632,368,559		
1-12	2017	127,589	215,742,556	351,176,634	5,495,970	24,806,355	(165,736,403)	289,244,035	3,784,912,985		
1-12	2018	122,800	205,516,347	379,415,996	5,134,805	25,508,264	(204,542,717)	297,343,871	3,908,420,617		
1-12	2019	117,958	195,498,497	400,142,153	4,700,466	26,159,521	(235,503,642)	303,254,136	4,001,221,770		
1-12	2020	113,090	185,487,682	427,231,335	4,275,327	26,802,374	(272,821,354)	307,215,331	4,068,972,263		
1-12	2021	108,205	175,517,549	461,105,320	3,878,309	27,441,787	(316,907,867)	308,184,143	4,103,366,240		
1-12	2022	103,293	165,718,610	495,045,536	3,505,374	27,990,098	(360,822,398)	308,184,143	4,094,642,517		
1-12	2023	98,348	156,078,208	527,088,096	3,100,655	28,419,392	(402,529,936)	305,788,623	4,039,608,742		
1-12	2024	93,400	146,620,288	556,449,707	2,692,425	28,754,721	(441,276,565)	299,857,893	3,936,936,699		
1-12	2025	88,483	137,355,277	585,832,096	2,345,614	29,036,539	(479,858,973)	290,331,901	3,785,992,035		
1-12	2026	83,608	128,298,285	617,293,232	2,067,814	29,264,014	(520,326,775)	277,077,347	3,583,210,410		
1-12	2027	78,772	119,472,097	649,196,692	1,829,339	29,364,015	(560,917,948)	259,716,497	3,322,600,131		
1-12	2028	73,971	110,888,086	678,469,958	1,588,737	29,299,749	(598,470,358)	237,826,362	2,999,508,545		
1-12	2029	69,225	102,553,665	703,704,587	1,355,704	29,116,720	(631,623,346)	211,166,668	2,612,204,855		
1-12	2030	64,546	94,456,599	727,782,900	1,167,046	28,990,897	(663,484,244)	179,674,241	2,160,255,749		
1-12	2031	59,952	86,595,088	753,546,807	1,014,754	28,769,313	(696,735,786)	143,226,394	1,639,997,900		
1-12	2032	55,448	79,001,516	779,443,119	888,099	28,369,265	(729,698,967)	101,409,614	1,044,671,727		
1-12	2033	51,041	71,708,292	801,226,280	761,447	27,766,069	(758,045,504)	53,736,057	368,708,817		
1-12	2034	46,749	64,740,216	816,779,799	632,519	26,978,904	(779,651,006)	(70,940)	(389,407,626)		
1-12	2035	42,603	58,103,189	828,238,685	508,156	26,059,147	(796,702,798)	(60,020,409)	(1,229,079,041)		
1-12	2036	38,634	51,836,087	837,579,016	406,256	25,028,458	(811,177,644)	(126,125,496)	(2,151,907,335)		
1-12	2037	34,850	45,967,146	843,271,644	333,190	23,868,767	(821,506,455)	(198,602,763)	(3,161,687,741)		
1-12	2038	31,254	40,513,005	841,385,564	271,244	22,578,308	(823,722,111)	(277,712,710)	(4,260,906,906)		
1-12	2039	27,859	35,475,872	830,621,301	214,286	21,184,179	(816,543,893)	(363,503,209)	(5,448,132,226)		
1-12	2040	24,691	30,857,630	813,758,146	162,382	19,746,735	(802,809,632)	(455,783,611)	(6,720,459,730)		
1-12	2041	21,767	26,665,246	793,421,974	119,892	18,313,261	(785,189,881)	(554,414,975)	(8,077,684,337)		
1-12	2042	19,084	22,897,834	769,332,575	89,548	16,893,748	(802,809,632)	(659,498,047)	(9,522,372,265)		
1-12	2043	16,633	19,540,165	739,634,468	69,935	15,471,719	(763,418,037)	(771,242,572)	(11,057,032,874)		
1-12	2044	14,409	16,571,784	704,090,219	54,060	14,050,955	(735,635,957)	(889,776,039)	(12,682,444,869)		
1-12	2045	12,409	13,964,568	664,881,464	42,042	12,669,639	(701,623,451)	(1,015,132,630)	(14,399,200,950)		
1-12	2046	10,630	11,693,784	624,527,347	32,018	11,355,185	(663,628,577)	(1,147,432,016)	(16,210,261,543)		
1-12	2047	9,056	9,732,349	584,325,445	23,491	10,118,843	(624,220,767)	(1,287,007,860)	(18,121,490,171)		
1-12	2048	7,673	8,053,181	543,525,032	17,147	8,963,897	(584,735,430)	(1,434,378,703)	(20,140,604,303)		
1-12	2049	6,461	6,626,595	501,438,029	12,224	7,883,499	(544,452,896)	(1,590,131,151)	(22,275,188,351)		
1-12	2050	5,403	5,418,837	458,814,602	8,202	6,881,784	(502,707,156)	(1,754,822,877)	(24,532,718,384)		
1-12	2051	4,490	4,401,769	417,143,313	5,375	5,963,870	(460,285,751)	(1,929,057,055)	(26,922,061,190)		
1-12	2052	3,708	3,552,104	377,598,637	3,623	5,129,470	(418,710,789)	(2,113,581,402)	(29,454,353,381)		
1-12	2053	3,042	2,847,905	339,962,615	2,268	4,381,577	(379,179,626)	(2,309,314,113)	(32,142,847,120)		
1-12	2054	2,478	2,269,012	303,595,045	1,304	3,717,144	(341,498,555)	(2,517,290,365)	(35,001,636,040)		
1-12	2055	2,004	1,795,753	268,686,656	621	3,131,823	(305,044,481)	(2,738,582,497)	(38,045,263,018)		
1-12	2056	1,609	1,410,697	235,832,211	146	2,621,963	(270,023,346)	(2,974,324,717)	(41,289,611,082)		
1-12	2057	1,282	1,099,674	205,526,863	-	2,180,806	(237,043,624)	(3,225,777,494)	(44,752,432,200)		
1-12	2058	1,014	850,545	177,946,502	-	1,799,637	(206,607,995)	(3,494,344,328)	(48,453,384,524)		
1-12	2059	797	653,006	152,948,252	-	1,471,960	(178,895,593)	(3,781,565,979)	(52,413,846,095)		
1-12	2060	622	497,957	130,420,032	-	1,194,259	(153,767,206)	(4,089,103,977)	(56,656,717,278)		
1-12	2061	483	377,189	110,333,321	-	961,933	(131,116,333)	(4,418,737,184)	(61,206,570,796)		
1-12	2062	372	283,621	92,665,019	-	770,001	(110,918,064)	(4,772,378,659)	(66,089,867,519)		
1-12	2063	285	211,747	77,314,950	-	612,522	(93,151,399)	(5,152,089,044)	(71,335,107,961)		
1-12	2064	217	157,003	64,114,594	-	483,800	(77,715,724)	(5,560,085,353)	(76,972,909,038)		
1-12	2065	164	115,641	52,846,245	-	379,706	(64,441,390)	(5,998,746,427)	(83,036,096,856)		
1-12	2066	123	84,646	43,297,295	-	296,322	(53,110,310)	(6,470,621,312)	(89,559,828,477)		
1-12	2067	92	61,558	35,279,673	-	229,751	(43,508,970)	(6,978,440,353)	(96,581,777,801)		
1-12	2068	68	44,453	28,581,611	-	177,030	(35,447,866)	(7,525,130,961)	(104,142,356,628)		
1-6	2069	60	15,643	10,198,813	-	60,559	(28,714,188)	(8,113,833,274)	(112,284,904,091)		
							(10,243,729)	(3,565,179,384)	(115,860,327,203)		

Attachment A (9) Expenses 20% Higher

California Public Employees Retirement System Summary of Projected Values All Plans

							Starting Rate:	7.79%	
							Investment Rate:	Scenario 1	
							Discount Rate:	Scenario 1	
Proposed Rate Increase - 7/1/2009:		0.00%							
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):		(847,144,792)		= Standard Program Definition					
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):		-35.08%		= Standard Program Definition					
Fund Balance @ End of Projection:		(76,678,335,844)		100.00%		120.00%			
Totals - 7/2009 thru 6/2069:		4,813,972,514	24,549,570,717	94,145,910	1,149,374,371	(20,979,118,483)	(58,294,414,277)		
As a % of Premiums:		94.92%	484.06%	1.86%	22.66%	-413.66%	-1149.42%		
Totals - Present Values:		2,414,793,359	4,962,119,690	52,636,410	359,771,946	(2,959,734,687)	1,315,351,388		
As a % of PV(Premiums):		96.27%	197.83%	2.10%	14.34%	-118.00%	52.44%		
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	10,846,855	68,045,959	82,407,463	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	22,244,883	106,668,808	181,279,043	2,263,043,316
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	23,399,559	71,745,071	202,351,685	2,550,991,167
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	24,524,451	36,710,111	222,335,782	2,825,087,924
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	25,615,865	2,321,277	241,166,798	3,084,133,817
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	26,701,280	(31,184,700)	258,821,281	3,327,621,892
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	27,822,930	(65,665,772)	275,219,248	3,555,258,473
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	28,840,748	(101,833,131)	290,140,872	3,764,811,948
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	29,767,626	(138,772,526)	303,369,869	3,953,119,689
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	30,609,917	(175,152,007)	314,764,476	4,117,717,033
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	31,391,425	(204,358,987)	324,398,249	4,257,329,501
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	32,162,849	(239,342,617)	332,510,187	4,377,368,763
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	32,930,144	(280,477,559)	338,170,288	4,470,536,333
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	33,588,118	(321,416,278)	341,063,273	4,528,229,062
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	34,103,271	(360,296,714)	341,060,322	4,547,876,057
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	34,505,665	(396,441,173)	341,060,322	4,528,639,665
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	34,843,846	(432,408,817)	338,135,371	4,470,333,863
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	35,116,817	(470,062,011)	332,197,175	4,370,122,221
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	35,236,817	(507,772,870)	322,933,351	4,222,993,561
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	35,159,699	(542,651,221)	309,994,410	4,025,215,102
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	34,940,064	(573,473,546)	293,201,364	3,775,765,245
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	34,789,076	(603,120,341)	272,539,660	3,474,831,359
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	34,523,175	(633,985,394)	247,940,651	3,119,651,668
1-12	2032	55,448	79,001,516	708,584,653	888,099	34,043,118	(664,514,354)	219,073,909	2,704,740,184
1-12	2033	51,041	71,708,292	728,387,527	761,447	33,319,283	(690,759,965)	185,548,675	2,225,774,505
1-12	2034	46,749	64,740,216	742,527,090	632,519	32,374,685	(710,794,077)	147,171,606	1,682,186,146
1-12	2035	42,603	58,103,189	752,944,259	508,156	31,270,976	(726,620,201)	103,997,711	1,075,389,780
1-12	2036	38,634	51,836,087	761,435,469	406,256	30,034,150	(740,039,788)	56,082,260	404,851,838
1-12	2037	34,850	45,967,146	766,610,586	333,190	28,642,521	(749,619,150)	3,299,893	(331,888,058)
1-12	2038	31,254	40,513,005	764,895,967	271,244	27,093,970	(749,619,150)	(54,508,762)	(1,136,015,969)
1-12	2039	27,859	35,475,872	755,110,273	214,286	25,421,015	(751,748,175)	(117,303,332)	(2,005,067,477)
1-12	2040	24,691	30,857,630	739,780,133	162,382	23,696,081	(745,269,702)	(184,820,114)	(2,935,157,292)
1-12	2041	21,767	26,665,246	721,292,704	119,892	21,975,913	(732,780,966)	(256,836,429)	(3,924,774,687)
1-12	2042	19,084	22,897,834	699,393,250	89,548	20,272,497	(716,723,263)	(333,341,322)	(4,974,839,272)
1-12	2043	16,633	19,540,165	672,394,971	69,935	18,566,063	(696,857,461)	(414,415,557)	(6,086,112,290)
1-12	2044	14,409	16,571,784	640,082,017	54,060	16,861,146	(671,490,804)	(500,056,536)	(7,257,659,630)
1-12	2045	12,409	13,964,568	604,437,695	42,042	15,203,567	(640,425,440)	(590,167,345)	(8,488,252,415)
1-12	2046	10,630	11,693,784	567,752,134	32,018	13,626,222	(605,718,736)	(684,719,599)	(9,778,690,749)
1-12	2047	9,056	9,732,349	531,204,950	23,491	12,142,612	(569,716,591)	(783,869,764)	(11,132,277,104)
1-12	2048	7,673	8,053,181	494,113,666	17,147	10,756,677	(533,638,703)	(887,931,469)	(12,553,847,276)
1-12	2049	6,461	6,626,595	455,852,754	12,224	9,460,198	(496,834,309)	(997,268,372)	(14,047,949,957)
1-12	2050	5,403	5,418,837	417,104,183	8,202	8,258,140	(458,698,581)	(1,112,204,669)	(15,618,853,207)
1-12	2051	4,490	4,401,769	379,221,194	5,375	7,156,644	(419,951,689)	(1,233,091,880)	(17,271,896,776)
1-12	2052	3,708	3,552,104	343,271,489	3,623	6,155,364	(381,981,444)	(1,360,398,009)	(19,014,276,229)
1-12	2053	3,042	2,847,905	309,056,923	2,268	5,257,893	(345,878,371)	(1,494,729,683)	(20,854,884,283)
1-12	2054	2,478	2,269,012	275,995,495	1,304	4,460,572	(311,469,178)	(1,636,782,353)	(22,803,135,815)
1-12	2055	2,004	1,795,753	244,260,596	621	3,758,187	(278,188,360)	(1,787,266,263)	(24,868,590,437)
1-12	2056	1,609	1,410,697	214,392,919	146	3,146,356	(246,223,651)	(1,946,927,316)	(27,061,741,404)
1-12	2057	1,282	1,099,674	186,842,603	-	2,616,968	(216,128,725)	(2,116,604,051)	(29,394,474,180)
1-12	2058	1,014	850,545	161,769,547	-	2,159,564	(188,359,896)	(2,297,241,077)	(31,880,075,153)
1-12	2059	797	653,006	139,043,865	-	1,766,352	(163,078,565)	(2,489,881,892)	(34,533,035,611)
1-12	2060	622	497,957	118,563,665	-	1,433,111	(140,157,211)	(2,695,651,847)	(37,368,844,668)
1-12	2061	483	377,189	100,303,019	-	1,154,319	(119,498,819)	(2,915,752,924)	(40,404,096,411)
1-12	2062	372	283,621	84,240,926	-	924,001	(101,080,149)	(3,151,476,733)	(43,656,653,293)
1-12	2063	285	211,747	70,286,318	-	735,026	(84,881,307)	(3,404,214,134)	(47,145,748,734)
1-12	2064	217	157,003	58,285,994	-	580,560	(70,809,596)	(3,675,460,483)	(50,892,018,814)
1-12	2065	164	115,641	48,042,041	-	455,647	(58,709,551)	(3,966,817,627)	(54,917,545,991)
1-12	2066	123	84,646	39,361,177	-	355,586	(48,382,047)	(4,279,998,385)	(59,245,926,423)
1-12	2067	92	61,558	32,072,430	-	275,701	(39,632,117)	(4,616,833,241)	(63,902,391,781)
1-12	2068	68	44,453	25,983,283	-	212,436	(32,286,573)	(4,979,280,991)	(68,913,959,345)
1-6	2069	60	15,643	9,271,648	-	72,671	(26,151,266)	(5,369,439,036)	(74,309,549,647)
							(9,328,676)	(2,359,457,522)	(76,678,335,844)

Attachment A (10) Lapses .25% Lower

California Public Employees Retirement System Summary of Projected Values All Plans

Proposed Rate Increase - 7/1/2009:	0.00%								Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(919,386,936)	= Standard Program Definition							Investment Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-37.37%	= Standard Program Definition							Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(83,166,563,940)	100.00%			100.00%					
Totals - 7/2009 thru 6/2069:	4,962,017,016	26,017,496,615	94,145,910	1,005,906,721	(22,155,532,229)	(63,647,178,347)				
As a % of Premiums:	94.89%	497.56%	1.80%	19.24%	-423.70%	-1217.18%				
Totals - Present Values:	2,460,544,410	5,131,397,994	52,636,410	308,486,836	(3,031,976,831)	1,218,852,841				
As a % of PV(Premiums):	96.27%	200.77%	2.06%	12.07%	-118.63%	47.69%				

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	163,153	148,263,213	66,413,645	2,828,558	9,045,185	69,975,825	82,443,858	2,112,589,895
1-12	2010	159,422	289,221,147	153,642,349	5,903,871	18,579,658	111,095,269	181,598,909	2,265,009,578
1-12	2011	155,603	279,428,619	176,825,307	6,166,137	19,585,745	76,851,430	203,070,134	2,557,703,755
1-12	2012	151,661	269,624,563	200,449,239	6,295,863	20,571,298	42,308,163	223,529,563	2,837,625,319
1-12	2013	147,591	259,767,475	223,735,241	6,278,285	21,533,029	8,220,919	242,903,752	3,103,463,045
1-12	2014	143,420	249,911,337	246,445,864	6,137,112	22,493,905	(25,165,544)	261,160,089	3,354,587,717
1-12	2015	139,159	240,033,734	270,302,017	5,963,156	23,489,636	(59,721,075)	278,208,589	3,590,582,262
1-12	2016	134,809	230,137,161	296,168,735	5,761,114	24,411,449	(96,204,137)	293,816,606	3,809,069,776
1-12	2017	130,346	220,243,734	323,167,735	5,495,970	25,261,371	(133,681,341)	307,752,039	4,006,682,244
1-12	2018	125,769	210,338,410	349,955,376	5,134,805	26,043,415	(170,795,186)	319,858,337	4,180,752,942
1-12	2019	121,114	200,591,676	370,026,639	4,700,466	26,777,399	(200,912,827)	339,195,127	4,329,816,092
1-12	2020	116,408	190,802,912	396,050,436	4,275,327	27,506,405	(237,029,256)	338,985,618	4,459,098,392
1-12	2021	111,661	181,007,255	428,447,932	3,878,309	28,235,428	(279,554,415)	345,279,126	4,561,054,754
1-12	2022	106,860	171,337,266	461,082,555	3,505,374	28,873,895	(322,124,558)	348,736,924	4,626,779,466
1-12	2023	102,001	161,781,103	492,102,988	3,100,655	29,392,230	(362,814,769)	349,208,223	4,653,391,832
1-12	2024	97,114	152,364,725	520,759,640	2,692,425	29,815,535	(400,902,875)	346,648,141	4,639,785,285
1-12	2025	92,233	143,100,359	549,589,496	2,345,614	30,185,208	(439,019,959)	340,944,502	4,585,530,552
1-12	2026	87,372	134,005,292	580,537,118	2,067,814	30,499,909	(479,099,549)	331,755,667	4,487,455,095
1-12	2027	82,525	125,104,904	612,056,115	1,829,339	30,682,703	(519,463,254)	340,111,213	4,340,111,213
1-12	2028	77,691	116,412,741	641,225,575	1,588,737	30,694,017	(557,095,587)	318,699,070	4,139,347,029
1-12	2029	72,891	107,938,286	666,692,082	1,355,704	30,580,460	(590,689,960)	301,567,711	3,883,819,153
1-12	2030	68,136	99,670,432	691,196,024	1,167,046	30,526,593	(623,219,231)	280,325,653	3,573,454,848
1-12	2031	63,446	91,609,150	717,451,356	1,014,754	30,371,111	(657,228,071)	254,882,100	3,205,117,714
1-12	2032	58,827	83,790,531	743,968,546	888,099	30,025,635	(691,091,749)	224,870,874	2,772,670,518
1-12	2033	54,289	76,250,940	766,656,397	761,447	29,462,514	(720,629,418)	189,858,681	2,271,527,450
1-12	2034	49,850	69,018,962	783,452,888	632,519	28,700,554	(743,766,999)	149,618,925	1,700,516,958
1-12	2035	45,544	62,103,350	796,394,956	508,156	27,793,097	(762,592,858)	104,187,537	1,060,937,496
1-12	2036	41,405	55,548,293	807,373,462	406,256	26,762,186	(778,993,611)	53,601,904	351,946,542
1-12	2037	37,445	49,386,969	814,879,121	333,190	25,587,486	(791,412,827)	(2,291,410)	(429,338,479)
1-12	2038	33,666	43,640,356	815,049,911	271,244	24,266,019	(795,946,819)	(63,681,572)	(1,284,432,878)
1-12	2039	30,086	38,314,062	806,571,618	214,286	22,825,928	(791,297,770)	(130,543,170)	(2,210,922,866)
1-12	2040	26,733	33,413,447	792,116,187	162,382	21,331,577	(780,196,699)	(202,609,212)	(3,204,829,848)
1-12	2041	23,627	28,949,457	774,217,867	119,892	19,833,799	(765,222,101)	(279,653,322)	(4,264,679,870)
1-12	2042	20,767	24,924,588	752,563,798	89,548	18,343,409	(746,072,167)	(361,673,509)	(5,391,575,480)
1-12	2043	18,146	21,325,689	725,286,187	69,935	16,842,499	(720,872,933)	(448,763,797)	(6,586,411,444)
1-12	2044	15,760	18,133,739	692,110,392	54,060	15,335,152	(689,365,865)	(540,925,296)	(7,848,209,673)
1-12	2045	13,608	15,321,139	655,160,822	42,042	13,863,155	(653,744,879)	(638,054,020)	(9,175,629,558)
1-12	2046	11,686	12,863,722	616,910,623	32,018	12,456,874	(616,535,792)	(740,116,996)	(10,569,491,434)
1-12	2047	9,982	10,734,466	578,633,312	23,491	11,129,206	(579,051,542)	(847,279,377)	(12,033,306,603)
1-12	2048	8,479	8,906,039	539,567,010	17,147	9,884,384	(540,562,502)	(959,875,459)	(13,572,233,605)
1-12	2049	7,158	7,347,925	499,013,356	12,224	8,715,486	(500,393,141)	(1,078,292,104)	(15,191,088,211)
1-12	2050	6,002	6,024,771	457,716,789	8,202	7,627,712	(459,327,932)	(1,202,870,930)	(16,894,352,282)
1-12	2051	5,000	4,907,112	417,170,322	5,375	6,627,394	(418,895,979)	(1,333,981,684)	(18,687,661,899)
1-12	2052	4,140	3,970,576	378,561,100	3,623	5,714,908	(380,309,054)	(1,472,120,634)	(20,578,678,512)
1-12	2053	3,405	3,192,036	341,677,235	2,268	4,894,298	(343,381,765)	(1,617,935,771)	(22,576,923,337)
1-12	2054	2,782	2,550,105	305,880,478	1,304	4,162,876	(307,494,553)	(1,772,172,042)	(24,692,477,144)
1-12	2055	2,255	2,023,725	271,375,593	621	3,516,468	(272,868,957)	(1,935,589,317)	(26,935,561,014)
1-12	2056	1,815	1,594,142	238,779,676	146	2,951,635	(240,137,316)	(2,108,985,626)	(29,317,415,598)
1-12	2057	1,450	1,246,096	208,611,144	-	2,461,391	(209,826,438)	(2,293,260,705)	(31,850,813,619)
1-12	2058	1,150	966,464	181,065,785	-	2,036,456	(182,135,776)	(2,489,431,109)	(34,550,071,166)
1-12	2059	906	744,066	156,015,456	-	1,669,983	(156,941,373)	(2,698,622,271)	(37,430,829,213)
1-12	2060	709	568,979	133,364,704	-	1,358,436	(134,154,162)	(2,922,049,415)	(40,509,820,001)
1-12	2061	552	432,191	113,103,674	-	1,097,006	(113,768,489)	(3,161,011,549)	(43,804,985,712)
1-12	2062	426	325,890	95,227,202	-	880,397	(95,781,709)	(3,416,905,954)	(47,335,660,155)
1-12	2063	327	243,990	79,649,657	-	702,150	(80,107,818)	(3,691,238,796)	(51,122,680,660)
1-12	2064	250	181,421	66,214,062	-	556,025	(66,588,666)	(3,985,630,721)	(55,188,419,198)
1-12	2065	189	134,004	54,711,257	-	437,517	(55,014,769)	(4,301,818,743)	(59,556,826,607)
1-12	2066	142	98,367	44,935,490	-	342,317	(45,179,439)	(4,641,660,880)	(64,253,502,256)
1-12	2067	106	71,741	36,704,519	-	266,096	(36,898,874)	(5,007,143,202)	(69,305,824,897)
1-12	2068	79	51,956	29,809,026	-	205,563	(29,962,633)	(5,400,391,356)	(74,743,115,127)
1-6	2069	69	18,316	10,655,652	-	70,455	(10,707,791)	(5,823,681,595)	(80,596,759,355)
								(2,559,096,793)	(83,166,563,940)

Attachment A (11) Combination of A(7), A(8), A(9), and A(10)

California Public Employees Retirement System Summary of Projected Values All Plans

							Starting Rate:		Annual
							Investment Rate:		7.00%
							Discount Rate:		Scenario 1
Proposed Rate Increase - 7/1/2009:							0.00%		Scenario 1
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):			(2,152,754,485)	= Standard Program Definition					
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):			-82.80%	= Standard Program Definition					
Fund Balance @ End of Projection:			(124,735,660,345)	110.00%			120.00%		
Totals - 7/2009 thru 6/2069:			4,962,017,016	28,619,246,276	94,145,910	1,207,088,065	(24,958,463,234)	(102,597,300,359)	
As a % of Premiums:			94.89%	547.31%	1.80%	23.08%	-477.30%	-1962.06%	
Totals - Present Values:			2,599,855,025	6,404,625,635	55,264,212	405,309,558	(4,265,344,380)	(2,117,813,690)	
As a % of PV(Premiums):			96.18%	236.93%	2.04%	14.99%	-157.79%	-78.35%	
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	163,153	148,263,213	73,055,010	2,828,558	10,854,223	61,525,423	74,081,013	2,112,589,895
1-12	2010	159,422	289,221,147	169,006,584	5,903,871	22,295,590	92,015,102	161,364,807	2,248,196,331
1-12	2011	155,603	279,428,619	194,507,838	6,166,137	23,502,893	55,251,750	177,818,663	2,501,576,240
1-12	2012	151,661	269,624,563	220,494,162	6,295,863	24,685,558	18,148,980	192,833,866	2,734,646,654
1-12	2013	147,591	259,767,475	246,108,766	6,278,285	25,839,635	(18,459,211)	206,314,535	2,945,629,500
1-12	2014	143,420	249,911,337	271,090,450	6,137,112	26,992,686	(54,308,911)	218,203,843	3,133,484,825
1-12	2015	139,159	240,033,734	297,332,218	5,963,156	28,187,563	(91,449,204)	228,386,842	3,297,379,757
1-12	2016	134,809	230,137,161	325,785,609	5,761,114	29,293,739	(130,703,300)	238,868,842	3,434,317,395
1-12	2017	130,346	220,243,734	355,484,508	5,495,970	30,313,645	(171,050,389)	246,609,072	3,540,221,164
1-12	2018	125,769	210,338,410	384,950,913	5,134,805	31,252,098	(210,999,407)	252,609,072	3,611,779,847
1-12	2019	121,114	200,591,676	407,029,303	4,700,466	32,132,879	(243,270,971)	262,609,072	3,646,992,088
1-12	2020	116,408	190,802,912	435,655,479	4,275,327	33,007,686	(282,135,580)	272,609,072	3,651,167,464
1-12	2021	111,661	181,007,255	471,292,725	3,878,309	33,882,514	(328,046,294)	282,609,072	3,615,534,578
1-12	2022	106,860	171,337,266	507,190,811	3,505,374	34,648,674	(374,007,592)	292,609,072	3,529,896,662
1-12	2023	102,001	161,781,103	541,313,287	3,100,655	35,270,675	(417,903,514)	302,609,072	3,390,689,633
1-12	2024	97,114	152,364,725	572,835,604	2,692,425	35,778,642	(458,941,946)	312,609,072	3,196,288,728
1-12	2025	92,233	143,100,359	604,548,446	2,345,614	36,222,249	(500,015,950)	322,609,072	2,945,788,309
1-12	2026	87,372	134,005,292	638,590,830	2,067,814	36,599,891	(543,253,243)	332,609,072	2,635,248,384
1-12	2027	82,525	125,104,904	673,261,727	1,829,339	36,819,244	(586,805,406)	342,609,072	2,258,231,853
1-12	2028	77,691	116,412,741	705,348,132	1,588,737	36,832,821	(627,356,948)	352,609,072	1,809,740,967
1-12	2029	72,891	107,938,286	733,361,290	1,355,704	36,696,552	(663,475,260)	362,609,072	1,287,858,821
1-12	2030	68,136	99,670,432	760,315,626	1,167,046	36,631,911	(698,444,152)	372,609,072	692,034,840
1-12	2031	63,446	91,609,150	789,196,491	1,014,754	36,445,333	(735,047,428)	382,609,072	18,311,224
1-12	2032	58,827	83,790,531	818,365,401	888,099	36,030,763	(771,493,730)	392,609,072	(740,450,828)
1-12	2033	54,289	76,250,940	843,322,036	761,447	35,355,017	(803,187,560)	402,609,072	(1,590,060,782)
1-12	2034	49,850	69,018,962	861,798,177	632,519	34,440,665	(827,852,399)	412,609,072	(2,531,989,261)
1-12	2035	45,544	62,103,350	876,034,451	508,156	33,351,717	(847,790,973)	422,609,072	(3,595,428,428)
1-12	2036	41,405	55,548,293	888,110,808	406,256	32,114,623	(865,083,394)	432,609,072	(4,691,873,039)
1-12	2037	37,445	49,386,969	896,367,033	333,190	30,704,983	(878,018,236)	442,609,072	(5,915,089,714)
1-12	2038	33,666	43,640,356	896,554,902	271,244	29,119,223	(882,305,014)	452,609,072	(7,237,362,262)
1-12	2039	30,086	38,314,062	887,228,780	214,286	27,391,113	(876,520,117)	462,609,072	(8,656,701,998)
1-12	2040	26,733	33,413,447	871,327,805	162,382	25,597,893	(863,674,634)	472,609,072	(10,169,479,442)
1-12	2041	23,627	28,949,457	851,639,654	119,892	23,800,559	(846,610,648)	482,609,072	(11,774,905,104)
1-12	2042	20,767	24,924,588	827,820,178	89,548	22,012,090	(824,997,228)	492,609,072	(13,475,088,204)
1-12	2043	18,146	21,325,689	797,814,806	69,935	20,210,998	(796,770,051)	502,609,072	(15,271,962,766)
1-12	2044	15,760	18,133,739	761,321,431	54,060	18,402,183	(761,643,935)	512,609,072	(17,165,465,897)
1-12	2045	13,608	15,321,139	720,676,904	42,042	16,635,786	(722,033,593)	522,609,072	(19,155,217,550)
1-12	2046	11,686	12,863,722	678,601,685	32,018	14,948,248	(680,718,229)	532,609,072	(21,243,296,582)
1-12	2047	9,982	10,734,466	636,496,643	23,491	13,355,047	(639,140,715)	542,609,072	(23,434,806,814)
1-12	2048	8,479	8,906,039	593,523,711	17,147	11,861,261	(596,496,080)	552,609,072	(25,736,712,279)
1-12	2049	7,158	7,347,925	548,914,691	12,224	10,458,583	(552,037,574)	562,609,072	(28,155,644,601)
1-12	2050	6,002	6,024,771	503,488,468	8,202	9,153,255	(506,625,154)	572,609,072	(30,697,919,547)
1-12	2051	5,000	4,907,112	458,887,354	5,375	7,952,873	(461,938,490)	582,609,072	(33,371,175,232)
1-12	2052	4,140	3,970,576	416,417,210	3,623	6,857,889	(419,308,146)	592,609,072	(36,185,320,670)
1-12	2053	3,405	3,192,036	375,844,959	2,268	5,873,157	(378,528,348)	602,609,072	(39,152,339,590)
1-12	2054	2,782	2,550,105	336,468,526	1,304	4,995,451	(338,915,176)	612,609,072	(42,284,851,943)
1-12	2055	2,255	2,023,725	298,513,152	621	4,219,762	(300,709,810)	622,609,072	(45,595,651,912)
1-12	2056	1,815	1,594,142	262,657,643	146	3,541,962	(264,605,611)	632,609,072	(49,098,672,156)
1-12	2057	1,450	1,246,096	229,472,258	-	2,953,669	(231,179,831)	642,609,072	(52,809,537,742)
1-12	2058	1,150	966,464	199,172,363	-	2,443,747	(200,649,646)	652,609,072	(56,745,565,999)
1-12	2059	906	744,066	171,617,002	-	2,003,979	(172,876,915)	662,609,072	(60,925,513,666)
1-12	2060	709	568,979	146,701,175	-	1,630,124	(147,762,319)	672,609,072	(65,369,309,065)
1-12	2061	552	432,191	124,414,041	-	1,316,407	(125,298,257)	682,609,072	(70,098,171,748)
1-12	2062	426	325,890	104,749,922	-	1,056,476	(105,480,509)	692,609,072	(75,134,798,570)
1-12	2063	327	243,990	87,614,623	-	842,580	(88,213,213)	702,609,072	(80,503,470,963)
1-12	2064	250	181,421	72,835,468	-	667,230	(73,321,277)	712,609,072	(86,230,071,596)
1-12	2065	189	134,004	60,182,382	-	525,020	(60,573,398)	722,609,072	(92,342,114,088)
1-12	2066	142	98,367	49,429,039	-	410,780	(49,741,451)	732,609,072	(98,868,799,001)
1-12	2067	106	71,741	40,374,971	-	319,316	(40,622,545)	742,609,072	(105,841,134,751)
1-12	2068	79	51,956	32,789,929	-	246,675	(32,984,648)	752,609,072	(113,292,090,339)
1-6	2069	69	18,316	11,721,217	-	84,546	(11,787,447)	762,609,072	(121,256,702,805)
									(124,735,660,345)

Attachment B

Attachment B (1) Base Case

California Public Employees Retirement System Summary of Projected Values All Plans

Proposed Rate Increase - 7/1/2009:	0.00%									Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(787,182,801)	= Standard Program Definition								Investment Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-32.60%	= Standard Program Definition								Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(71,292,800,691)	100.00%				100.00%					
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(53,066,667,620)					
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-1046.34%					
Totals - Present Values:	2,414,793,359	4,962,119,690	52,636,410	299,809,955	(2,899,772,696)	1,532,302,101					
As a % of PV(Premiums):	96.27%	197.83%	2.10%	11.95%	-115.61%	61.09%					

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	181,562,931	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	202,953,890	2,556,824,409
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	223,295,938	2,835,423,297
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	242,527,122	3,099,516,754
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	260,627,069	3,348,634,463
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	277,519,380	3,582,527,046
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	292,988,063	3,799,017,808
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	306,819,323	3,994,979,531
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	318,874,554	4,167,987,600
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	329,230,957	4,316,811,800
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	339,230,957	4,446,915,673
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	348,482,175	4,551,065,256
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	358,131,724	4,620,728,365
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	368,819,323	4,653,392,282
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	379,230,957	4,648,276,111
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	389,230,957	4,605,260,233
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	399,230,957	4,521,588,106
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	409,230,957	4,392,334,781
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	419,230,957	4,213,845,159
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	429,230,957	3,985,173,654
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	439,230,957	3,706,598,710
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	449,230,957	3,375,493,674
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	459,230,957	2,986,486,446
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	469,230,957	2,535,360,201
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	479,230,957	2,021,655,034
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	489,230,957	1,446,906,522
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	499,230,957	810,722,110
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	509,230,957	110,798,057
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	519,230,957	(653,886,658)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	529,230,957	(1,480,690,114)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	539,230,957	(143,807,162)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	549,230,957	(212,309,512)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	559,230,957	(285,049,094)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	569,230,957	(362,086,990)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	579,230,957	(443,399,116)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	589,230,957	(528,866,151)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	599,230,957	(603,184,808)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	609,230,957	(671,234,111)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	619,230,957	(712,234,111)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	629,230,957	(741,032,866)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	639,230,957	(768,623,574)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	649,230,957	(803,184,808)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	659,230,957	(836,231,531)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	669,230,957	(868,623,574)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	679,230,957	(899,230,957)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	689,230,957	(929,230,957)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	699,230,957	(959,230,957)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	709,230,957	(989,230,957)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	719,230,957	(1,019,230,957)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	729,230,957	(1,049,230,957)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	739,230,957	(1,079,230,957)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	749,230,957	(1,109,230,957)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	759,230,957	(1,139,230,957)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	769,230,957	(1,169,230,957)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	779,230,957	(1,199,230,957)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	789,230,957	(1,229,230,957)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	799,230,957	(1,259,230,957)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	809,230,957	(1,289,230,957)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	819,230,957	(1,319,230,957)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	829,230,957	(1,349,230,957)

Attachment B (2)

Intvestment Rate Increasing ½% for 10 Years

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	731,928,072	= Standard Program Definition						Investment Rate:	Scenario 2
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	34.78%	= Standard Program Definition						Discount Rate:	Scenario 2
Fund Balance @ End of Projection:	766,347,630,658	100.00%			100.00%				
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	792,745,805,706			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	15630.96%			
Totals - Present Values:	2,104,167,847	3,210,892,927	46,943,539	226,993,205	(1,380,661,823)	8,204,443,568			
As a % of PV(Premiums):	96.61%	147.42%	2.16%	10.42%	-63.39%	376.68%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	187,447,559	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	223,030,265	2,562,709,037
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	261,485,714	2,861,384,300
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	303,123,804	3,163,667,534
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	348,407,545	3,473,381,925
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	397,854,828	3,795,054,983
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	451,928,008	4,131,881,194
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	451,928,008	4,486,782,862
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	576,617,814	4,864,195,194
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	649,563,918	5,270,762,654
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	718,253,526	5,721,199,489
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	777,596,624	6,205,470,873
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	839,277,886	6,708,078,296
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	903,734,940	7,231,537,924
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	971,647,363	7,780,660,028
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	1,043,680,237	8,361,617,163
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	1,120,233,076	8,978,695,890
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	1,201,732,297	9,634,719,758
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	1,288,981,458	10,334,551,989
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	1,383,180,366	11,086,742,175
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	1,485,600,891	12,790,551,069
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	1,597,256,908	13,759,576,446
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	1,719,229,295	14,819,965,240
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	1,853,109,038	15,987,867,526
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	2,001,123,864	17,283,593,093
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	2,165,782,877	18,727,967,598
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	2,349,613,481	20,342,546,982
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	2,555,424,705	22,153,126,291
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	2,786,731,874	24,192,625,650
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	3,047,862,894	26,499,455,678
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	3,343,601,170	28,114,225,229
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	3,678,967,231	30,280,131,849
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	4,059,471,136	32,446,124,273
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	4,491,474,068	34,969,201,881
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	4,982,305,656	37,613,892,288
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	5,540,109,899	40,550,817,379
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	6,173,766,322	43,613,892,288
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	6,893,051,993	46,813,892,288
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	7,708,951,791	49,951,791,791
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	8,633,966,739	53,099,330,326
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	9,682,193,957	56,817,948,951
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	10,869,387,841	59,661,548,122
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	12,213,149,840	62,518,575,207
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	13,733,263,858	65,446,124,273
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	15,452,108,636	68,330,263,858
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	17,394,957,694	71,213,149,840
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	19,590,260,442	74,103,263,858
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	22,070,037,881	77,001,471,136
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	24,870,364,610	79,951,791,791
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	28,031,927,882	82,633,966,739
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	31,600,636,876	85,172,948,951
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	35,628,279,063	88,124,273,295
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	40,173,267,658	91,213,149,840
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	45,301,493,075	94,103,263,858
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	51,087,289,340	97,001,471,136
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	57,614,520,329	100,000,000,000
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	64,977,801,896	103,000,000,000
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	73,283,874,619	106,000,000,000
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	82,653,154,061	109,000,000,000
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	37,484,018,783	112,000,000,000

Attachment B (3)

Intvestment Rate Increasing 1% for 5 Years and then Decreasing 1% for 5 Years

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(149,450,662)	= Standard Program Definition						Investment Rate:	Scenario 3
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-6.92%	= Standard Program Definition						Discount Rate:	Scenario 3
Fund Balance @ End of Projection:	(17,628,946,070)	100.00%			100.00%				
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	933,702,569			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	18.41%			
Totals - Present Values:	2,159,143,332	4,117,813,886	47,165,949	256,204,054	(2,262,040,557)	3,889,742,442			
As a % of PV(Premiums):	96.41%	183.87%	2.11%	11.44%	-101.00%	173.68%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	193,318,570	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	243,177,848	2,568,580,048
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	300,312,741	2,887,402,894
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	366,025,522	3,228,513,154
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	442,152,148	3,601,129,263
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	491,225,489	4,016,546,924
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	497,848,010	4,446,743,797
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	493,146,927	4,847,565,467
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	476,952,831	5,206,901,140
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	449,774,794	5,513,803,617
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	440,767,752	5,764,451,328
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	455,283,684	5,971,236,938
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	467,731,734	6,151,531,421
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	478,035,764	6,303,444,896
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	486,226,645	6,426,867,824
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	492,274,901	6,522,404,241
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	495,935,418	6,588,077,632
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	496,930,285	6,619,803,841
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	495,156,801	6,614,834,059
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	490,682,530	6,573,199,588
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	483,529,498	6,496,231,916
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	473,465,364	6,382,439,252
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	460,202,695	6,227,673,085
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	443,658,873	6,029,035,278
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	424,008,126	5,787,487,400
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	401,434,916	5,506,097,230
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	375,953,833	5,186,123,774
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	347,556,202	4,827,043,510
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	316,444,690	4,429,754,316
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	283,058,088	3,998,966,492
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	247,808,541	3,540,991,714
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	210,912,154	3,059,968,636
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	172,509,722	2,557,820,179
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	132,842,592	2,036,851,189
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	92,264,785	1,501,297,321
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	51,082,261	955,946,857
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	9,438,303	403,844,311
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(32,657,365)	(154,162,940)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(75,219,692)	(718,435,239)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(118,197,100)	(1,288,696,461)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(161,536,081)	(1,864,015,442)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(205,267,921)	(2,444,126,855)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(249,528,545)	(3,030,183,446)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(294,505,968)	(3,624,564,468)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(340,363,475)	(4,229,663,299)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(387,257,474)	(4,847,471,704)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(435,391,135)	(5,480,326,465)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(485,024,287)	(6,131,321,933)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(536,462,425)	(6,804,269,955)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(590,035,540)	(7,503,451,018)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(646,088,362)	(8,233,349,378)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(704,988,531)	(8,998,697,707)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(767,131,034)	(9,804,574,001)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(832,937,859)	(10,656,432,341)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(902,853,968)	(11,560,057,293)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(977,345,246)	(12,521,524,051)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(1,056,898,170)	(13,547,175,403)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(1,142,022,891)	(14,643,646,426)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(1,233,255,371)	(15,817,909,940)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(542,348,336)	(17,077,281,170)
									(17,628,946,070)

Attachment B (4)

Investment Rate Increased 3%

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	567,321,228	= Standard Program Definition						Investment Rate:	Scenario 4
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	28.24%	= Standard Program Definition						Discount Rate:	Scenario 4
Fund Balance @ End of Projection:	260,049,136,304	100.00%			100.00%				
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	280,952,361,423			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	5539.68%			
Totals - Present Values:	2,009,276,456	3,287,126,735	44,442,900	222,975,488	(1,545,268,667)	6,987,000,032			
As a % of PV(Premiums):	96.56%	157.96%	2.14%	10.72%	-74.26%	335.76%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	113,387,906	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	254,796,072	2,295,831,568
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	292,335,272	2,661,003,928
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	330,164,036	3,028,984,198
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	368,340,790	3,399,945,753
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	406,994,656	3,774,877,131
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	446,193,824	4,155,137,301
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	485,828,445	4,540,302,507
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	525,802,754	4,929,104,612
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	566,137,770	5,321,096,112
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	607,169,209	5,717,183,528
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	649,495,966	6,125,225,654
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	692,133,957	6,540,739,479
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	734,942,032	6,957,884,234
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	778,055,753	7,377,008,008
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	821,782,017	7,800,450,925
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	866,374,744	8,231,542,713
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	911,819,569	8,671,315,948
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	958,080,729	9,118,926,308
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	1,005,390,961	9,575,106,970
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	1,054,255,438	10,043,706,659
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	1,105,164,502	10,530,311,895
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	1,158,306,590	11,038,154,235
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	1,213,838,245	11,568,229,294
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	1,272,247,004	12,123,227,037
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	1,334,438,188	12,710,267,290
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	1,401,411,167	13,339,307,182
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	1,474,017,884	14,019,309,977
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	1,553,167,611	14,758,293,764
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	1,640,160,843	15,566,615,978
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	1,736,744,213	16,459,544,308
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	1,844,769,492	17,455,255,655
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	1,965,972,207	18,571,193,528
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	2,102,146,845	19,824,105,125
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	2,255,405,250	21,232,773,258
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	2,428,217,529	22,819,782,048
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	2,623,216,102	24,610,384,328
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	2,843,059,163	26,630,415,622
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	3,090,490,988	28,906,029,231
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	3,368,516,272	31,464,905,285
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	3,680,557,690	34,338,380,028
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	4,030,404,667	37,561,815,837
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	4,422,132,443	41,173,645,172
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	4,860,114,346	45,214,988,945
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	5,349,137,782	49,730,250,813
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	5,894,561,169	54,768,795,733
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	6,502,348,426	60,385,911,971
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	7,179,059,180	66,642,663,111
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	7,931,904,254	73,606,117,958
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	8,768,837,233	81,350,098,477
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	9,698,668,856	89,956,217,072
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	10,731,175,736	99,515,023,109
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	11,877,194,869	110,126,938,878
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	13,148,734,350	121,903,245,985
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	14,559,103,151	134,967,253,029
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	16,123,059,979	149,455,669,088
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	17,856,975,019	165,520,116,275
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	19,779,006,556	183,328,785,188
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	21,909,291,852	203,068,218,892
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	24,270,160,273	224,945,270,121
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	10,869,138,334	249,189,314,534
									260,049,136,304

Attachment B (5)

Intvestment Rate Decreasing ½% for 10 Years

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(5,179,608,298)	= Standard Program Definition						Investment Rate:	Scenario 5
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-175.16%	= Standard Program Definition						Discount Rate:	Scenario 5
Fund Balance @ End of Projection:	(35,096,665,366)	100.00%			100.00%				
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(16,504,040,057)			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-325.42%			
Totals - Present Values:	2,957,153,524	9,726,150,471	61,359,429	461,841,817	(7,292,198,193)	(2,515,042,593)			
As a % of PV(Premiums):	95.68%	314.70%	1.99%	14.94%	-235.95%	-81.38%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	175,664,590	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	182,948,802	2,550,926,068
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	185,741,103	2,809,519,867
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	184,199,084	3,036,058,490
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	178,607,107	3,226,848,161
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	169,299,464	3,378,720,781
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	156,625,085	3,486,991,628
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	141,061,653	3,546,590,374
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	133,811,255	3,553,840,773
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	123,239,088	3,507,029,507
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	103,952,293	3,411,854,717
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	92,198,664	3,270,071,240
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	87,667,985	3,082,750,024
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	81,865,309	2,848,797,075
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	74,785,779	2,568,970,017
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	66,464,723	2,244,744,512
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	56,915,616	1,875,058,618
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	46,075,978	1,456,925,387
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	33,877,069	988,902,389
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	20,318,875	472,429,993
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	5,465,045	(89,755,164)
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	(10,637,648)	(697,714,974)
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	(28,032,795)	(1,353,979,299)
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	(46,778,007)	(2,059,597,808)
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	(66,850,862)	(2,811,655,421)
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	(88,134,242)	(3,605,187,961)
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	(110,509,404)	(4,437,105,737)
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(133,920,242)	(5,306,060,076)
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(158,317,469)	(6,209,222,941)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(183,574,246)	(7,140,029,701)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(209,481,556)	(8,090,544,123)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(235,846,753)	(9,055,222,495)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(262,553,507)	(10,030,836,612)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(289,514,946)	(11,013,830,270)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(316,609,528)	(11,998,836,258)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(343,678,867)	(12,980,130,374)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(370,587,501)	(13,953,902,683)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(397,263,014)	(14,918,611,251)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(423,682,681)	(15,873,908,866)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(449,832,039)	(16,818,782,435)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(475,671,988)	(17,751,576,304)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(501,163,229)	(18,671,314,865)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(526,297,305)	(19,578,400,840)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(551,102,094)	(20,474,355,412)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(575,620,971)	(21,360,569,245)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(599,884,378)	(22,237,898,555)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(623,916,674)	(23,107,412,515)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(647,755,318)	(23,970,772,165)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(671,453,430)	(24,830,149,330)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(695,074,685)	(25,687,942,653)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(718,684,751)	(26,546,490,223)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(742,347,206)	(27,408,097,396)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(766,125,995)	(28,275,111,153)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(790,086,388)	(29,149,924,847)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(814,294,114)	(30,034,906,053)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(838,813,187)	(30,932,332,031)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(863,704,481)	(31,844,342,618)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(889,024,943)	(32,772,940,413)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(914,828,021)	(33,720,009,057)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(941,163,660)	(34,687,288,576)
								(400,060,226)	(35,096,665,366)

Attachment B (6) **Intvestment Rate Decreasing 1% for 5 Years and then Increasing 1% for 5 Years**

California Public Employees Retirement System Summary of Projected Values All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(1,615,783,638)	= Standard Program Definition						Investment Rate:	Scenario 6
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-59.06%	= Standard Program Definition						Discount Rate:	Scenario 6
Fund Balance @ End of Projection:	(115,098,540,577)	100.00%		100.00%					
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(97,147,104,760)			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-1915.50%			
Totals - Present Values:	2,735,866,168	6,049,266,093	59,468,942	355,504,666	(3,728,373,533)	(1,385,556,922)			
As a % of PV(Premiums):	96.13%	212.56%	2.09%	12.49%	-131.01%	-48.69%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	169,752,439	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	163,015,075	2,545,013,917
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	148,818,896	2,783,673,990
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	128,103,449	2,973,290,405
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	102,147,513	3,107,984,442
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	103,954,621	3,183,397,468
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	136,613,245	3,226,323,472
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	169,570,789	3,265,910,378
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	202,725,683	3,301,669,912
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	236,194,747	3,334,345,241
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	254,350,058	3,371,412,905
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	254,344,053	3,391,780,822
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	254,344,053	3,371,135,674
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	251,138,905	3,306,456,320
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	244,570,354	2,511,380,813
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	234,574,279	3,196,413,838
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	224,503,578	3,040,297,889
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	221,018,816	2,834,715,195
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	203,548,484	2,574,054,471
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	181,766,409	2,253,920,813
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	155,441,659	1,872,571,200
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	124,503,578	1,429,424,577
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	88,825,206	920,927,621
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	48,013,608	340,709,698
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	1,608,247	(316,522,557)
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	(108,818,276)	(1,866,605,963)
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	(172,898,663)	(2,760,912,997)
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(243,120,332)	(3,739,067,426)
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(319,743,839)	(4,803,656,662)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(402,838,025)	(5,953,727,201)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(492,256,751)	(7,187,016,817)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(587,903,324)	(8,503,751,760)
1-12	2042	19,084	22,897,874	699,393,250	89,548	16,893,748	(693,477,712)	(689,901,664)	(9,906,714,035)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(798,477,494)	(11,398,670,241)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(913,784,527)	(12,980,851,228)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(1,035,894,587)	(14,654,361,064)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(1,164,960,726)	(16,422,506,598)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(1,301,334,433)	(18,291,286,584)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(1,445,539,297)	(20,268,440,816)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(1,598,165,126)	(22,361,647,471)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(1,759,779,984)	(24,578,549,336)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(1,930,998,271)	(26,928,122,940)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(2,112,571,216)	(29,421,482,825)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(2,305,410,766)	(32,071,746,069)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(2,510,541,415)	(34,892,880,347)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(2,729,028,083)	(37,899,353,361)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(2,961,999,055)	(41,106,949,703)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(3,210,705,086)	(44,533,259,120)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(3,476,535,194)	(48,197,718,049)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(3,761,012,032)	(52,121,448,719)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(4,065,777,561)	(56,327,089,100)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(4,392,590,687)	(60,838,939,753)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(4,743,343,387)	(65,683,170,902)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(5,120,073,733)	(70,887,971,942)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(5,524,974,794)	(76,483,633,828)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(5,960,400,580)	(82,502,647,198)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(6,428,874,739)	(88,979,828,044)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(6,933,101,810)	(95,952,502,707)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(7,475,982,795)	(103,460,726,125)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(8,060,630,751)	(111,547,472,736)
								(3,541,751,277)	(115,098,540,577)

Attachment B (7)

Investment Rate Decreased 3%

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	7.79%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(3,656,438,902)	= Standard Program Definition						Investment Rate:	Scenario 7
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-121.30%	= Standard Program Definition						Discount Rate:	Scenario 7
Fund Balance @ End of Projection:	(60,517,248,190)	100.00%				100.00%			
Totals - 7/2009 thru 6/2069:	4,813,972,514	24,549,570,717	94,145,910	957,811,975	(20,787,556,088)	(42,080,467,947)			
As a % of Premiums:	94.92%	484.06%	1.86%	18.89%	-409.88%	-829.72%			
Totals - Present Values:	3,014,448,533	8,286,292,614	64,015,888	433,168,828	(5,769,028,797)	(3,446,184,834)			
As a % of PV(Premiums):	95.89%	263.58%	2.04%	13.78%	-183.51%	-109.62%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	51,059,022	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	110,150,723	2,233,502,685
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	119,879,288	2,454,029,696
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	128,404,248	2,649,553,982
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	135,680,182	2,818,755,750
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	141,687,976	2,961,026,519
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	146,373,881	3,075,980,008
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	149,599,531	3,161,325,273
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	151,231,814	3,213,898,464
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	151,187,764	3,231,319,024
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	149,520,435	3,212,456,434
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	146,381,334	3,162,849,787
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	141,201,344	3,075,248,979
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	133,806,416	2,941,461,122
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	124,142,900	2,759,449,280
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	112,223,893	2,528,979,344
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(390,690,228)	98,024,157	2,250,513,008
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	81,386,148	1,921,935,656
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	62,136,745	1,539,112,595
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	40,215,724	1,099,349,273
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	15,669,405	602,773,726
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	(11,485,381)	50,792,928
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	(41,388,405)	(558,014,614)
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	(74,208,433)	(1,227,634,550)
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	(109,982,329)	(1,960,683,484)
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	(148,587,066)	(2,755,872,564)
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	(189,896,235)	(3,609,857,930)
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	(233,890,618)	(4,521,162,537)
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(280,564,720)	(5,490,087,252)
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(329,782,171)	(6,515,497,368)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(381,264,862)	(7,592,512,054)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(434,759,194)	(8,714,809,782)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(490,139,681)	(9,878,400,595)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(547,331,186)	(11,081,600,887)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(606,199,719)	(12,322,410,785)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(666,547,325)	(13,597,006,964)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(728,213,332)	(14,901,169,539)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(791,144,084)	(16,232,567,678)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(855,372,217)	(17,591,157,316)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(920,947,356)	(18,978,144,467)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(987,879,886)	(20,394,133,353)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(1,056,182,122)	(21,839,135,120)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(1,125,921,749)	(23,313,892,574)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(1,197,232,503)	(24,820,602,993)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(1,270,279,899)	(26,362,687,973)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(1,345,213,124)	(27,943,560,734)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(1,422,176,552)	(29,566,218,789)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(1,501,342,769)	(31,233,992,628)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(1,582,917,728)	(32,950,939,729)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(1,667,132,847)	(34,721,781,192)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(1,754,231,023)	(36,551,632,677)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(1,844,460,051)	(38,445,726,519)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(1,938,077,176)	(40,409,446,537)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(2,035,351,173)	(42,448,411,475)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(2,136,561,364)	(44,568,489,955)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(2,241,994,357)	(46,775,738,411)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(2,351,942,037)	(49,076,345,559)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(2,466,700,614)	(51,476,593,702)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(2,586,571,746)	(53,982,867,169)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(2,711,862,972)	(56,601,679,539)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(1,168,273,256)	(59,339,658,370)
									(60,517,248,190)

Attachment C

Attachment C

Long Term Care Model(s) and Assumptions

Model(s)

Projection results are based on a projection of 165,023 policies inforce as of 6/30/09 from business issued through 6/30/09. CalPERS LTC business consists of facility-only and comprehensive policies and includes a variety of elimination period/benefit period/inflation coverage combinations. A summary of the model cells we used for projection purposes has been included as Attachment E.

Please note that we combined policy information for each potential model cell for which there were few inforce policies into a projection model cell with the most similar benefit design.

Projection results for each cell reflect output from three different models. The first model generates base policy projections, the second generates premium waiver projections, and the third generates return-of-premium benefit projections. Given that the first two models are built from the same model chassis and the relative insignificance of waiver-of-premium and return-of-premium benefits as compared to base policy benefits, the remainder of this attachment will focus on the base policy benefit model. Please note that the assumptions used for the latter two models are consistent with those used in the corresponding base policy projections.

Inforce Business as of 6/30/09 - Distributions of Business

The following distributions for all business inforce as of 6/30/09 are included in Attachment F:

- By benefit period and elimination period
- By issue-age and attained-age
- By plan
- By inflation option
- By gender
- By marital status
- By premium mode
- By underwriting type

Please let us know if you would like to see additional distributions relating to the 6/30/09 inforce business.

Assumptions

Please note that detailed assumption printouts can be readily generated from each model for every model cell. The following subsections discuss the various assumptions used and include summaries of assumptions used throughout all of the model cells.

Morbidity

From a modeling standpoint, the following morbidity assumptions were used:

Ultimate Claim Costs - These vary by benefit design, gender and attained age, and were developed as described in this report.

Selection Factors – Experience selection factors were developed as described in this report and vary by issue-age band, duration, issue era, and underwriting type. The manual selection factors vary by issue-age band, duration, and underwriting type, and are identical to those assumed in the 2008 valuation.

Claim Payment Distributions – These vary by age at claim incurral, gender, plan, benefit period, and claim duration. They were updated for this valuation to reflect emerging experience and were developed to be consistent with current liability/reserve levels.

Morbidity Improvement – Consistent with emerging program and population experience and relevant actuarial documentation and practice, we assumed that future morbidity would improve by 1% per year for 20 years from the valuation date. We also made a corresponding mortality improvement assumption.

Inflation Adjustment – Appropriate morbidity adjustments are made for policies with inflation protection.

Adjustments to Reflect Individuals Already on Claim – These vary by benefit period, inflation coverage, gender, issue age and duration. They are used to adjust the assumed claim costs to be on an exposure basis consistent with that used in the projection model.

Policy Terminations

We performed a study comparing inception-to-date actual total termination rates by issue-age band and duration to previous voluntary lapse rate and mortality assumptions and made adjustments as described in the report. As described previously in the report, a mortality study was completed and adjustments were made to the mortality assumptions.

Regarding assumed mortality developed from the mortality study, the following were used for all projection cells:

- 1994 GAM table along with 100% of projection scale AA used for the next twenty years.
- Selection factors by policy year as follows:
 - Policy Year 1: 0.33
 - Policy Year 2: 0.42
 - Policy Year 3: 0.50
 - Policy Year 4: 0.56
 - Policy Year 5: 0.57
 - Policy Year 6: 0.60
 - Policy Year 7: 0.65
 - Policy Year 8: 0.70

- Policy Year 9: 0.71
 - Policy Year 10+: 0.71
- Attained age adjustment factors were created to reflect actual experience.

Regarding assumed voluntary lapse rates, the following were used for all projection cells:

Age Group	Policy Year										
	1	2	3	4	5	6	7	8	9	10	11+
< 40	4.7%	3.6%	3.4%	2.6%	2.5%	2.4%	2.0%	2.0%	1.6%	1.6%	1.6%
40 - 49	3.3%	2.3%	1.8%	1.6%	1.5%	1.3%	1.1%	1.1%	1.0%	0.9%	0.7%
50 - 59	2.7%	1.8%	1.4%	1.1%	1.1%	0.8%	0.8%	0.7%	0.4%	0.4%	0.4%
60 - 69	2.0%	1.2%	0.9%	0.7%	0.6%	0.6%	0.5%	0.3%	0.3%	0.3%	0.3%
70 - 79	2.0%	0.9%	0.6%	0.6%	0.6%	0.5%	0.5%	0.7%	0.7%	0.7%	0.7%
80 +	2.3%	1.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

In addition, lapse rates were increased to reflect claimants that exhaust limited benefit periods.

Expenses

We used the following expense assumptions:

- Regarding fixed dollar expenses:
 - We assumed that fixed LTCG administrative fees would be \$138,547 per month and CalPERS operational expenses would be \$103,424 per month through January 2010.
 - We increased these values by 3% in February of each year through 2014.
 - Beginning in February of 2015, we increased the prior year's fixed monthly expense by 3% but then reduced it by the ratio of current premium to the prior year premium. The intent of this is to adjust for the fact that if the program volume declines, expenses will need to decline as well.
- LTCG administrative fees of \$2.85 per member per month.
- LTCG claim administrative fees equal to 4.04% of incurred claims.

All non-fixed-dollar expenses are also assumed to inflate at 3.0% per year.

Discount/Investment Rate

As discussed in the report regarding investment earnings, we assumed 7.79% on both assets and annual cash flows per the simulated investment returns completed by the CalPERS investment office.

Attachment D

Attachment D

CalPERS LTC Program Comparison of Actual and Projected Results For 7/1/08 thru 6/30/09

	<u>6/30/08 Valuation Projection Results</u>	<u>Actual Results</u>	<u>Actual Less Expected Dollar Differences</u>	<u>Actual/Expected Percentage Differences</u>
Actual Fund Balance as of 6/30/08:	2,317,642,667	2,317,642,667	-	0.00%
<u>Cash Flows from 7/08 thru 6/09</u>				
Premiums	300,640,477	296,966,721	(3,673,756)	-1.22%
Investment Income	187,002,255	(369,120,934)	(556,123,189)	-297.39%
Claims	124,602,597	114,361,890	(10,240,707)	-8.22%
Expenses	17,310,806	17,480,783	169,978	0.98%
Estimated Fund Balance as of 6/30/09: (Calculated from Values Above)	2,663,371,996	2,113,645,779	(549,726,216)	-20.64%
Actual Fund Balance as of 6/30/09:	2,112,589,895	2,112,589,895	-	0.00%
Estimated vs. Actual - Dollar Differences:	550,782,101	1,055,884	(549,726,216)	-99.81%
Estimated vs. Actual - Percentage Differences:	26.07%	0.05%		

Attachment E

Attachment E

CalPERS LTC Program
Summary of Model Cells Included in 6/30/2009 Projection

<u>Cell Name</u>	<u>Cell Description</u>	<u>Annualized</u>	
		<u>Count</u>	<u>Premium</u>
LTC1_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	5,395	8,926,008
LTC1_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	1,236	1,001,977
LTC1_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	992	842,324
LTC1_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	6,042	11,183,112
LTC1_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	1,533	1,871,549
LTC1_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	1,384	1,813,402
LTC1_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	17	16,447
LTC1_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	3	2,081
LTC1_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	4	3,011
LTC1_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	1	1,383
LTC1_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	9,066	19,177,700
LTC1_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	5,022	5,577,586
LTC1_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	3,506	3,934,685
LTC1_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	34,573	83,529,910
LTC1_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	18,021	31,055,041
LTC1_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	14,488	26,567,756
LTC1_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	3,640	4,403,494
LTC1_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, MGI U/W	456	288,169
LTC1_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, SF U/W	385	246,321
LTC1_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, LF U/W	3,091	4,744,472
LTC1_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, MGI U/W	663	637,577
LTC1_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, SF U/W	693	733,537
LTC1_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	5	5,978
LTC1_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	4,663	8,049,989
LTC1_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, MGI U/W	699	639,561
LTC1_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, SF U/W	698	652,909
LTC1_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, LF U/W	10,188	21,507,387
LTC1_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, MGI U/W	2,364	3,295,913
LTC1_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, SF U/W	2,703	3,940,096
LTC1_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	1,578	1,832,785
LTC1_P1_MGI	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	332	214,021
LTC1_P1_SF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	273	169,011
LTC1_P2_LF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	2,666	4,397,909
LTC1_P2_MGI	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	630	622,644
LTC1_P2_SF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	686	646,408
LTC2_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, LF U/W	621	849,533
LTC2_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	5	6,089
LTC2_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	2	2,640
LTC2_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	959	1,852,819
LTC2_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	7	9,487
LTC2_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	8	10,896
LTC2_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, LF U/W	2,073	2,997,484
LTC2_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	17	26,903
LTC2_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	11	14,548
LTC2_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	4,397	11,624,837
LTC2_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	33	85,453
LTC2_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	39	107,101
LTC2_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	177	180,518
LTC2_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W	142	219,455
LTC2_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, SF U/W	314	421,650
LTC2_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	676	1,376,839
LTC2_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, MGI U/W - Conversions	2	6,700
LTC2_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	1	2,281
LTC2_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	101	115,797
LTC2_P2_LF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	243	432,303
LTC3_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	859	1,025,274
LTC3_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	63	45,170
LTC3_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	48	27,893
LTC3_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	2,417	4,474,656
LTC3_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	380	474,027
LTC3_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	403	538,182
LTC3_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	2,876	4,251,791
LTC3_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	642	542,766
LTC3_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	490	441,958
LTC3_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	2,674	6,494,123
LTC3_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	493	878,896
LTC3_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	447	863,457
LTC3_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	1,221	2,023,588
LTC3_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	16	30,484
LTC3_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	9	12,731
LTC3_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	1,456	4,763,672
LTC3_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	9	42,896
LTC3_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	4	12,498
LTC3_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	360	414,766
LTC3_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W - Conversions	20	10,060
LTC3_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, SF U/W - Conversions	22	12,348
LTC3_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, LF U/W	633	1,042,259
LTC3_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W - Conversions	88	94,479
LTC3_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	131	157,558
LTC3_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	855	1,112,392
LTC3_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W - Conversions	75	55,776
LTC3_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, SF U/W - Conversions	99	69,976
LTC3_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, LF U/W	205	450,930
LTC3_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W - Conversions	17	28,858
LTC3_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	24	42,280
LTC3_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	179	227,833
LTC3_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, MGI U/W	228	537,561
LTC3_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 70% ALF, LF U/W	22	27,285
LTC3_P2_LF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 70% ALF, LF U/W	53	108,703
LTC3_P2_SF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 70% ALF, SF U/W - Conversions	1	1,110
Total		165,023	304,217,721

<u>Abbreviation</u>	<u>Description</u>
BP	Benefit Period
EP	Elimination Period
ALF	Assisted Living Facility
HHC	Home Health Care
LF U/W	Long From Underwriting
MGI U/W	Modified Guaranteed Issue Underwriting
SF U/W	Short Form Underwriting

Attachment F

Attachment F

CalPERS LTC Program Distributions of Business Inforce as of 6/30/2009

By Benefit Period and Elimination Period

<u>Benefit Period</u>	<u>Elimination Period</u>	<u>Count</u>
6 Month	30 Day	11
1 Year	30 Day	2,295
2 Year	30 Day	4,279
3 Year	90 Day	32,835
6 Year	90 Day	8,927
Lifetime	90 Day	116,676
Total		165,023

By Issue-Age Band and Gender

<u>Issue-Age Band</u>	<u>Females</u>	<u>Males</u>
< 30	534	291
30-39	4,861	2,985
40-44	6,525	3,624
45-49	12,047	6,751
50-54	18,037	10,943
55-59	19,861	13,369
60-64	16,491	12,846
65-69	11,190	8,771
70-74	6,562	4,280
75-79	2,642	1,440
80-84	613	256
85-89	75	26
90-94	1	2
95+	-	-
Total	99,439	65,584
Grand Total		165,023

By Attained Age and Gender

<u>Attained Age</u>	<u>Females</u>	<u>Males</u>
27	11	1
28	8	4
29	9	6
30	13	6
31	21	12
32	31	15
33	72	43
34	58	42
35	70	37
36	98	47
37	94	63
38	99	68
39	139	96
40	183	95
41	252	183
42	520	326
43	592	368
44	527	331
45	486	302
46	489	322
47	1,041	622
48	1,678	948
49	1,194	712
50	815	483
51	826	453
52	1,185	654
53	2,278	1,225
54	2,590	1,408
55	2,146	1,182
56	1,523	839
57	1,996	1,140
58	3,554	2,160
59	4,589	2,742
60	3,405	2,194
61	2,242	1,427
62	2,571	1,675
63	4,902	3,068
64	4,862	3,195
65	3,690	2,429
66	2,066	1,504
67	2,438	1,738
68	4,045	2,869
69	4,955	3,218
70	3,177	2,209
71	1,364	1,151
72	1,784	1,422
73	3,219	2,478
74	4,052	3,096
75	3,117	2,336
76	768	640
77	1,282	1,050
78	2,447	1,839

Attachment F

CalPERS LTC Program Distributions of Business Inforce as of 6/30/2009

79	2,831	2,121
80	2,602	1,891
81	467	299
82	850	492
83	1,506	924
84	1,727	1,087
85	1,400	966
86	276	140
87	335	180
88	561	324
89	547	317
90	398	215
91	72	33
92	93	40
93	99	27
94	68	34
95	7	3
96	3	2
97	9	9
98	5	6
99	10	1
100	-	-
102	-	-
Total	99,439	65,584
Grand Total		165,023

By Plan Type

<u>Plan Type</u>	<u>Count</u>
Partnership (Comprehensive)	6,585
Comprehensive	123,962
Facilities Only	34,476
Total	165,023

By Inflation

<u>Inflation</u>	<u>Count</u>
No Inflation	46,821
Inflation	118,202
Total	165,023

By Marital Status

<u>Marital Status</u>	<u>Gender</u>	<u>Count</u>
Married	F	61,009
Married	M	52,337
Divorced	F	13,711
Divorced	M	3,899
Single	F	11,409
Single	M	5,628
Widowed	F	12,625
Widowed	M	2,791
Unknown	F	677
Unknown	M	922
Separated	F	8
Separated	M	7
Total		165,023

By Premium Mode

<u>Premium Mode</u>	<u>Count</u>
Monthly	125,401
Quarterly	30,525
Semi-Annually	5,232
Annually	3,865
Total	165,023

By Underwriting Type

<u>Underwriting Type</u>	<u>Count</u>
LF	104,665
MGI	32,826
SF	27,532
Total	165,023

By Product Series

<u>Product Series</u>	<u>Count</u>
LTC 1	137,676
LTC 2	9,828
LTC 3	17,519
Total	165,023

Attachment G

California Public Employees Retirement System
Summary of Projected Values
All Plans

								Starting Rate:	Annual
								Investment Rate:	Scenario 1
								Discount Rate:	Scenario 1
Proposed Rate Increase - 7/1/2009:			0.00%						
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):			(787,182,801)		= Standard Program Definition				
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):			-32.60%		= Standard Program Definition				
Fund Balance @ End of Projection:			(71,292,800,691)		100.00%		100.00%		
Totals - 7/2009 thru 6/2069:			4,813,972,514		24,549,570,717		957,811,975	(20,787,556,088)	(53,066,667,620)
As a % of Premiums:			94.92%		484.06%		1.86%	18.89%	-1046.34%
Totals - Present Values:			2,414,793,359		4,962,119,690		52,636,410	299,809,955	(2,899,772,696)
As a % of PV(Premiums):			96.27%		197.83%		2.10%	11.95%	-115.61%
									1,532,302,101
									61.09%
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,134,320	66,412,948	2,828,558	9,039,046	69,853,768	82,441,527	2,112,589,895
1-12	2010	158,821	288,416,703	153,599,141	5,903,871	18,537,402	110,376,288	181,562,931	2,264,885,190
1-12	2011	154,628	277,938,997	176,628,230	6,166,137	19,499,632	75,644,998	202,953,890	2,556,824,409
1-12	2012	150,332	267,502,159	199,971,733	6,295,863	20,437,043	40,797,520	223,295,938	2,835,423,297
1-12	2013	145,930	257,065,055	222,849,628	6,278,285	21,346,554	6,590,587	242,527,122	3,099,516,754
1-12	2014	141,450	246,681,219	245,027,528	6,137,112	22,251,067	(26,734,487)	260,627,069	3,348,634,463
1-12	2015	136,903	236,328,214	268,207,900	5,963,156	23,185,775	(61,028,617)	277,519,380	3,582,527,046
1-12	2016	132,290	226,008,175	293,239,445	5,761,114	24,033,956	(97,026,340)	292,988,063	3,799,017,808
1-12	2017	127,589	215,742,556	319,251,486	5,495,970	24,806,355	(133,811,255)	277,519,380	3,994,979,531
1-12	2018	122,800	205,516,347	344,923,633	5,134,805	25,508,264	(170,050,354)	318,874,554	4,167,987,600
1-12	2019	117,958	195,498,497	363,765,593	4,700,466	26,159,521	(199,127,083)	329,230,957	4,316,811,800
1-12	2020	113,090	185,487,682	388,392,122	4,275,327	26,802,374	(233,982,142)	338,131,724	4,446,915,673
1-12	2021	108,205	175,517,549	419,186,654	3,878,309	27,441,787	(274,989,201)	344,652,310	4,551,065,256
1-12	2022	103,293	165,718,610	450,041,397	3,505,374	27,990,098	(315,818,258)	348,482,175	4,620,728,365
1-12	2023	98,348	156,078,208	479,170,997	3,100,655	28,419,392	(354,612,836)	349,496,665	4,653,392,282
1-12	2024	93,400	146,620,288	505,863,370	2,692,425	28,754,721	(390,690,228)	347,674,350	4,648,276,111
1-12	2025	88,483	137,355,277	532,574,633	2,345,614	29,036,539	(426,601,509)	342,929,382	4,605,260,231
1-12	2026	83,608	128,298,285	561,175,666	2,067,814	29,264,014	(464,209,208)	334,955,883	4,521,588,106
1-12	2027	78,772	119,472,097	590,178,811	1,829,339	29,364,015	(501,900,067)	323,410,445	4,392,334,781
1-12	2028	73,971	110,888,086	616,790,871	1,588,737	29,299,749	(536,791,271)	308,119,765	4,213,845,159
1-12	2029	69,225	102,553,665	639,731,443	1,355,704	29,116,720	(567,650,202)	289,075,310	3,985,173,654
1-12	2030	64,546	94,456,599	661,620,818	1,167,046	28,990,897	(597,322,162)	266,217,075	3,706,598,761
1-12	2031	59,952	86,595,088	685,042,552	1,014,754	28,769,313	(628,231,531)	239,224,303	3,375,493,674
1-12	2032	55,448	79,001,516	708,584,653	888,099	28,369,265	(658,840,501)	207,714,256	2,986,486,446
1-12	2033	51,041	71,708,292	728,387,527	761,447	27,766,069	(685,206,751)	171,501,585	2,535,360,201
1-12	2034	46,749	64,740,216	742,527,090	632,519	26,978,904	(705,398,297)	140,649,785	2,021,655,034
1-12	2035	42,603	58,103,189	752,944,259	508,156	26,059,147	(721,408,372)	85,223,960	1,446,906,522
1-12	2036	38,634	51,836,087	761,435,469	406,256	25,028,458	(735,034,097)	35,110,043	810,722,110
1-12	2037	34,850	45,967,146	766,610,586	333,190	23,868,767	(744,845,396)	(19,839,318)	17,798,057
1-12	2038	31,254	40,513,005	764,895,967	271,244	22,578,308	(747,232,514)	(79,570,942)	(653,886,658)
1-12	2039	27,859	35,475,872	755,110,273	214,286	21,184,179	(741,032,866)	(143,807,162)	(1,480,690,114)
1-12	2040	24,691	30,857,630	739,780,133	162,382	19,746,735	(728,831,619)	(212,309,512)	(2,365,530,141)
1-12	2041	21,767	26,665,246	721,292,704	119,892	18,313,261	(713,060,611)	(285,049,094)	(3,306,671,272)
1-12	2042	19,084	22,897,834	699,393,250	89,548	16,893,748	(693,478,712)	(362,086,909)	(4,304,780,977)
1-12	2043	16,633	19,540,165	672,394,971	69,935	15,471,719	(668,396,460)	(443,399,116)	(5,360,346,598)
1-12	2044	14,409	16,571,784	640,082,017	54,060	14,050,955	(637,615,249)	(528,866,151)	(6,472,142,173)
1-12	2045	12,409	13,964,568	604,437,695	42,042	12,669,639	(603,184,808)	(618,434,776)	(7,638,623,574)
1-12	2046	10,630	11,693,784	567,752,134	32,018	11,355,185	(567,445,554)	(712,234,111)	(8,860,243,157)
1-12	2047	9,056	9,732,349	531,204,950	23,491	10,118,843	(531,614,935)	(810,548,059)	(10,139,922,821)
1-12	2048	7,673	8,053,181	494,113,666	17,147	8,963,897	(495,041,530)	(913,708,072)	(11,482,085,815)
1-12	2049	6,461	6,626,595	455,852,754	12,224	7,883,499	(457,121,881)	(1,022,003,725)	(12,890,835,417)
1-12	2050	5,403	5,418,837	417,104,183	8,202	6,881,784	(418,575,332)	(1,135,749,241)	(14,369,961,023)
1-12	2051	4,490	4,401,769	379,221,194	5,375	5,963,870	(380,788,670)	(1,255,372,287)	(15,924,285,596)
1-12	2052	3,708	3,552,104	343,271,489	3,623	5,129,470	(344,852,477)	(1,381,436,041)	(17,560,446,553)
1-12	2053	3,042	2,847,905	309,056,923	2,268	4,381,577	(310,592,863)	(1,514,589,058)	(19,286,735,071)
1-12	2054	2,478	2,269,012	275,995,495	1,304	3,717,144	(277,444,931)	(1,655,491,037)	(21,111,916,992)
1-12	2055	2,004	1,795,753	244,260,596	621	3,131,823	(245,597,286)	(1,804,833,474)	(23,044,852,961)
1-12	2056	1,609	1,410,697	214,392,919	146	2,621,963	(215,604,332)	(1,963,396,306)	(25,095,283,721)
1-12	2057	1,282	1,099,674	186,842,603	-	2,180,806	(187,923,735)	(2,132,061,060)	(27,274,284,359)
1-12	2058	1,014	850,545	161,769,547	-	1,799,637	(162,718,638)	(2,311,803,363)	(29,594,269,154)
1-12	2059	797	653,006	139,043,865	-	1,471,960	(139,862,819)	(2,503,675,537)	(32,068,791,155)
1-12	2060	622	497,957	118,563,665	-	1,194,259	(119,259,967)	(2,708,800,915)	(34,712,329,511)
1-12	2061	483	377,189	100,303,019	-	961,933	(100,887,762)	(2,928,386,391)	(37,540,390,393)
1-12	2062	372	283,621	84,240,926	-	770,001	(84,727,306)	(3,163,731,588)	(40,569,664,547)
1-12	2063	285	211,747	70,286,318	-	612,522	(70,687,092)	(3,416,233,596)	(43,818,123,441)
1-12	2064	217	157,003	58,285,994	-	483,800	(58,612,791)	(3,687,388,442)	(47,305,044,129)
1-12	2065	164	115,641	48,042,041	-	379,706	(48,306,106)	(3,978,794,956)	(51,051,045,362)
1-12	2066	123	84,646	39,361,177	-	296,322	(39,572,853)	(4,292,160,812)	(55,078,146,424)
1-12	2067	92	61,558	32,072,430	-	229,751	(32,240,623)	(4,629,312,493)	(59,409,880,089)
1-12	2068	68	44,453	25,983,283	-	177,030	(26,115,860)	(4,992,204,833)	(64,071,433,206)
1-6	2069	60	15,643	9,271,648	-	60,559	(9,316,564)	(2,193,730,228)	(69,089,753,899)
									(71,292,800,691)

Attachment H

Attachment H

No Credibility

California Public Employees Retirement System

Summary of Projected Values

All Plans

Proposed Rate Increase - 7/1/2009:	0.00%								Starting Rate:	Annual
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(235,998,726)	= Standard Program Definition							Investment Rate:	7.79%
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-9.74%	= Standard Program Definition							Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(21,787,789,821)	100.00%				100.00%				Scenario 1
Totals - 7/2009 thru 6/2069:	4,832,627,158	22,243,009,492	94,145,910	894,715,513	(18,399,243,756)	(5,639,475,304)				
As a % of Premiums:	95.29%	438.58%	1.86%	17.64%	-362.79%	-111.20%				
Totals - Present Values:	2,422,591,721	4,441,172,950	52,636,410	277,370,982	(2,348,588,621)	3,362,364,649				
As a % of PV(Premiums):	96.58%	177.06%	2.10%	11.06%	-93.63%	134.05%				

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,144,722	66,219,370	2,828,558	8,383,114	70,713,680	82,455,124	2,112,589,895
1-12	2010	158,821	288,621,697	149,558,876	5,903,871	17,150,555	116,008,394	181,810,809	2,265,758,699
1-12	2011	154,628	278,369,910	167,068,464	6,166,137	17,977,321	87,157,988	203,883,493	2,563,577,901
1-12	2012	150,332	268,117,787	184,667,261	6,295,863	18,794,273	58,360,389	225,427,444	2,854,619,382
1-12	2013	145,930	257,822,408	201,927,928	6,278,285	19,600,160	30,016,035	246,420,280	3,138,407,216
1-12	2014	141,450	247,536,727	218,856,531	6,137,112	20,406,802	2,136,282	266,860,544	3,414,843,531
1-12	2015	136,903	237,255,017	236,866,627	5,963,156	21,235,906	(26,810,672)	286,692,416	3,683,840,356
1-12	2016	132,290	226,989,981	256,617,804	5,761,114	21,987,271	(57,376,207)	305,750,240	3,943,722,100
1-12	2017	127,589	216,757,782	277,532,497	5,495,970	22,705,067	(88,975,751)	323,866,527	4,192,096,133
1-12	2018	122,800	206,537,141	298,655,927	5,134,805	23,377,639	(120,631,230)	340,923,384	4,426,986,908
1-12	2019	117,958	196,496,177	313,686,838	4,700,466	24,014,121	(145,905,247)	356,998,228	4,647,279,062
1-12	2020	113,090	186,448,984	334,739,489	4,275,327	24,632,898	(177,198,730)	372,344,657	4,858,372,043
1-12	2021	108,205	176,437,342	361,953,629	3,878,309	25,245,968	(214,640,564)	386,091,560	5,053,517,970
1-12	2022	103,293	166,589,176	389,524,528	3,505,374	25,809,848	(252,250,574)	397,978,078	5,224,968,966
1-12	2023	98,348	156,888,936	416,131,486	3,100,655	26,283,913	(288,627,118)	407,899,237	5,370,696,469
1-12	2024	93,400	147,361,717	441,219,931	2,692,425	26,663,019	(323,213,658)	415,829,471	5,489,968,588
1-12	2025	88,483	138,028,594	466,528,159	2,345,614	26,967,441	(357,812,621)	421,699,281	5,582,584,402
1-12	2026	83,608	128,909,362	493,477,424	2,067,814	27,203,920	(393,839,795)	425,279,903	5,646,471,062
1-12	2027	78,772	120,025,746	520,831,208	1,829,339	27,337,033	(429,971,835)	426,313,800	5,677,911,169
1-12	2028	73,971	111,387,720	546,294,060	1,588,737	27,326,425	(463,821,502)	424,687,110	5,674,253,135
1-12	2029	69,225	103,001,685	568,814,308	1,355,704	27,201,464	(494,369,792)	420,423,636	5,635,118,743
1-12	2030	64,546	94,860,015	590,241,312	1,167,046	27,099,639	(523,647,982)	413,517,841	5,561,172,588
1-12	2031	59,952	86,961,129	612,750,658	1,014,754	26,891,108	(553,695,391)	403,769,676	5,451,042,446
1-12	2032	55,448	79,335,569	635,183,519	888,099	26,534,682	(583,270,731)	390,924,137	5,301,116,731
1-12	2033	51,041	72,013,462	654,402,677	761,447	26,012,037	(609,162,699)	374,894,322	5,108,770,136
1-12	2034	46,749	65,017,525	668,890,310	632,519	25,324,521	(629,829,825)	355,798,166	4,874,501,759
1-12	2035	42,603	58,355,672	679,912,728	508,156	24,494,629	(646,559,841)	333,769,768	4,600,470,100
1-12	2036	38,634	52,066,037	688,957,609	406,256	23,550,662	(660,848,490)	308,823,002	4,287,680,027
1-12	2037	34,850	46,175,872	694,956,415	333,190	22,508,253	(671,621,986)	280,941,384	3,935,654,539
1-12	2038	31,254	40,700,815	695,024,400	271,244	21,359,541	(675,954,370)	250,277,757	3,544,973,938
1-12	2039	27,859	35,642,394	688,185,906	214,286	20,102,367	(672,860,166)	217,176,455	3,119,297,325
1-12	2040	24,691	31,004,214	676,185,351	162,382	18,775,704	(664,119,224)	181,972,127	2,663,613,614
1-12	2041	21,767	26,793,461	661,007,050	119,892	17,425,575	(651,759,056)	144,856,533	2,171,765,518
1-12	2042	19,084	23,009,517	642,385,360	89,548	16,081,915	(635,547,306)	105,954,244	1,674,563,995
1-12	2043	16,633	19,637,001	618,928,791	69,935	14,745,596	(614,107,321)	65,477,938	1,144,970,934
1-12	2044	14,409	16,654,933	590,571,877	54,060	13,416,429	(587,387,433)	23,727,755	596,341,550
1-12	2045	12,409	14,035,640	558,976,520	42,042	12,117,850	(557,100,771)	(19,041,104)	32,681,872
1-12	2046	10,630	11,754,514	526,081,219	32,018	10,869,649	(525,228,373)	(62,708,940)	(543,460,003)
1-12	2047	9,056	9,784,383	492,935,863	23,491	9,688,421	(492,863,391)	(107,271,927)	(1,131,397,316)
1-12	2048	7,673	8,097,861	459,043,079	17,147	8,590,111	(459,552,476)	(152,753,976)	(1,731,532,634)
1-12	2049	6,461	6,664,815	424,053,004	12,224	7,570,783	(424,971,196)	(199,134,115)	(2,343,839,086)
1-12	2050	5,403	5,451,323	388,677,347	8,202	6,626,927	(389,861,154)	(246,405,467)	(2,967,944,398)
1-12	2051	4,490	4,429,338	354,057,438	5,375	5,757,552	(355,391,027)	(294,640,733)	(3,604,211,019)
1-12	2052	3,708	3,575,516	321,151,021	3,623	4,963,583	(322,542,712)	(344,005,313)	(4,254,242,780)
1-12	2053	3,042	2,867,759	289,779,880	2,268	4,250,231	(291,164,619)	(394,716,599)	(4,920,790,804)
1-12	2054	2,478	2,285,705	259,420,090	1,304	3,614,964	(260,750,652)	(446,973,076)	(5,606,672,023)
1-12	2055	2,004	1,809,570	230,221,604	621	3,053,447	(231,466,103)	(500,971,359)	(6,314,395,751)
1-12	2056	1,609	1,421,929	202,648,820	146	2,561,510	(203,788,548)	(556,953,360)	(7,046,833,213)
1-12	2057	1,282	1,108,667	177,102,438	-	2,132,965	(178,126,736)	(615,215,391)	(7,807,575,121)
1-12	2058	1,014	857,665	153,733,869	-	1,761,138	(154,637,342)	(676,100,119)	(8,600,917,247)
1-12	2059	797	658,574	132,448,213	-	1,441,397	(133,231,036)	(739,978,833)	(9,431,654,709)
1-12	2060	622	502,257	113,173,137	-	1,170,308	(113,841,188)	(807,243,736)	(10,304,864,579)
1-12	2061	483	380,469	95,916,026	-	943,331	(96,478,887)	(878,315,847)	(11,225,949,503)
1-12	2062	372	286,110	80,681,884	-	755,586	(81,151,360)	(953,650,217)	(12,200,744,237)
1-12	2063	285	213,638	67,407,119	-	601,540	(67,795,021)	(1,033,735,498)	(13,235,545,814)
1-12	2064	217	158,441	55,969,974	-	475,886	(56,287,420)	(1,119,090,928)	(14,337,076,333)
1-12	2065	164	116,732	46,193,580	-	374,310	(46,451,158)	(1,210,264,595)	(15,512,454,680)
1-12	2066	123	85,473	37,898,799	-	292,757	(38,106,083)	(1,307,832,863)	(16,769,170,433)
1-12	2067	92	62,183	30,925,927	-	227,478	(31,091,222)	(1,412,403,771)	(18,115,109,380)
1-12	2068	68	44,923	25,093,824	-	175,650	(25,224,551)	(1,524,619,661)	(19,558,604,373)
1-6	2069	60	15,802	8,965,014	-	60,156	(9,009,369)	(670,331,867)	(21,108,448,585)
									(21,787,789,821)

Attachment I

Attachment I Full Credibility

California Public Employees Retirement System Summary of Projected Values All Plans

Proposed Rate Increase - 7/1/2009:	0.00%							Starting Rate:	Annual
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(1,130,316,708)	= Standard Program Definition						Investment Rate:	Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	-46.91%	= Standard Program Definition						Discount Rate:	Scenario 1
Fund Balance @ End of Projection:	(102,111,649,545)	100.00%			100.00%				
Totals - 7/2009 thru 6/2069:	4,800,756,046	25,996,657,899	94,145,910	996,560,338	(22,286,608,101)	(82,579,739,367)			
As a % of Premiums:	94.66%	512.59%	1.86%	19.65%	-439.44%	-1628.27%			
Totals - Present Values:	2,409,308,375	5,286,488,182	52,636,410	313,090,386	(3,242,906,603)	400,721,400			
As a % of PV(Premiums):	96.05%	210.76%	2.10%	12.48%	-129.29%	15.98%			

Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings	Fund Balance
7-12	2009	162,948	148,127,691	66,517,296	2,828,558	9,356,637	69,425,200	82,434,928	2,112,589,895
1-12	2010	158,821	288,283,263	155,851,676	5,903,871	19,218,287	107,309,428	181,431,888	2,264,450,023
1-12	2011	154,628	277,657,800	182,006,925	6,166,137	20,264,521	69,220,218	202,446,321	2,553,191,339
1-12	2012	150,332	267,100,962	208,619,712	6,295,863	21,283,304	30,902,084	222,114,981	2,824,857,878
1-12	2013	145,930	256,572,179	234,704,666	6,278,285	22,271,892	(6,682,665)	240,352,412	3,077,874,942
1-12	2014	141,450	246,124,275	259,896,366	6,137,112	23,255,571	(43,164,774)	257,126,185	3,311,544,690
1-12	2015	136,903	235,719,894	286,175,718	5,963,156	24,272,082	(80,691,063)	272,343,090	3,525,506,100
1-12	2016	132,290	225,354,633	314,516,733	5,761,114	25,199,272	(120,122,485)	285,745,703	3,717,158,127
1-12	2017	127,589	215,055,473	343,831,294	5,495,970	26,035,899	(160,307,689)	297,081,862	3,882,781,345
1-12	2018	122,800	204,812,757	372,531,468	5,134,805	26,791,338	(199,644,853)	306,192,765	4,019,555,518
1-12	2019	117,958	194,797,349	393,964,248	4,700,466	27,488,976	(231,356,341)	313,151,713	4,126,103,430
1-12	2020	113,090	184,794,386	421,209,251	4,275,327	28,175,328	(268,865,519)	313,151,713	4,207,898,802
1-12	2021	108,205	174,835,122	454,788,003	3,878,309	28,851,131	(312,682,321)	318,188,782	4,257,222,065
1-12	2022	103,293	165,054,577	488,303,682	3,505,374	29,413,213	(312,682,321)	320,330,751	4,264,870,495
1-12	2023	98,348	155,443,572	519,581,491	3,100,655	29,836,911	(356,167,691)	319,225,486	4,227,928,289
1-12	2024	93,400	146,026,473	547,709,008	2,692,425	30,162,418	(397,075,485)	314,732,034	4,145,584,838
1-12	2025	88,483	136,803,159	575,739,946	2,345,614	30,432,070	(434,537,378)	306,836,127	4,017,883,587
1-12	2026	83,608	127,788,290	605,744,180	2,067,814	30,645,920	(471,714,471)	295,446,496	3,841,615,613
1-12	2027	78,772	119,005,180	636,046,879	1,829,339	30,723,917	(510,669,624)	280,208,151	3,611,154,139
1-12	2028	73,971	110,465,278	663,488,786	1,588,737	30,623,068	(549,594,955)	260,729,617	3,322,288,801
1-12	2029	69,225	102,176,214	686,601,947	1,355,704	30,405,427	(585,235,313)	236,807,796	2,973,861,284
1-12	2030	64,546	94,119,252	708,723,394	1,167,046	30,255,826	(616,186,864)	208,427,137	2,566,101,557
1-12	2031	59,952	86,294,392	732,639,338	1,014,754	30,011,059	(646,027,014)	175,501,477	2,095,576,019
1-12	2032	55,448	78,734,163	756,821,460	888,099	29,580,474	(677,370,758)	137,632,430	1,555,837,691
1-12	2033	51,041	71,471,832	776,903,023	761,447	28,920,519	(708,555,870)	94,358,458	941,640,279
1-12	2034	46,749	64,533,901	790,579,536	632,519	28,064,900	(735,113,157)	45,430,979	251,958,101
1-12	2035	42,603	57,922,845	800,450,421	508,156	27,074,247	(754,743,053)	(9,112,412)	(511,897,364)
1-12	2036	38,634	51,680,018	808,385,364	406,256	25,978,313	(770,109,979)	(69,243,713)	(1,351,251,057)
1-12	2037	34,850	45,832,611	812,967,574	333,190	24,751,739	(783,089,915)	(135,160,096)	(2,269,501,067)
1-12	2038	31,254	40,398,080	810,058,812	271,244	23,367,861	(792,219,891)	(207,091,716)	(3,268,812,674)
1-12	2039	27,859	35,380,049	798,167,540	214,286	21,877,501	(793,299,837)	(285,056,344)	(4,347,168,856)
1-12	2040	24,691	30,778,545	780,502,122	162,382	20,342,936	(784,879,278)	(368,808,432)	(5,500,856,565)
1-12	2041	21,767	26,602,397	759,496,906	119,892	18,831,935	(770,228,895)	(458,159,651)	(6,729,245,111)
1-12	2042	19,084	22,848,686	735,137,641	89,548	17,364,107	(751,846,335)	(553,176,382)	(8,034,267,828)
1-12	2043	16,633	19,501,597	705,582,764	69,935	15,885,948	(729,742,610)	(654,024,668)	(9,418,035,106)
1-12	2044	14,409	16,542,032	670,423,883	54,060	14,408,395	(702,037,051)	(760,804,600)	(10,880,876,757)
1-12	2045	12,409	13,941,526	632,021,502	42,042	12,965,135	(668,344,306)	(873,507,724)	(12,422,728,787)
1-12	2046	10,630	11,676,820	592,629,072	32,018	11,607,814	(631,087,151)	(992,207,751)	(14,046,023,689)
1-12	2047	9,056	9,719,630	553,860,598	23,491	10,362,380	(592,592,084)	(1,117,190,667)	(15,755,806,441)
1-12	2048	7,673	8,042,976	514,943,739	17,147	9,186,203	(554,526,839)	(1,248,919,493)	(17,559,252,772)
1-12	2049	6,461	6,618,201	474,880,653	12,224	8,072,426	(516,104,114)	(1,387,941,045)	(19,463,297,931)
1-12	2050	5,403	5,411,918	434,231,771	8,202	7,021,859	(476,347,102)	(1,534,750,208)	(21,474,395,241)
1-12	2051	4,490	4,396,502	394,292,831	5,375	6,063,100	(435,849,913)	(1,689,862,257)	(23,600,107,410)
1-12	2052	3,708	3,548,042	356,450,918	3,623	5,213,405	(395,964,804)	(1,853,916,061)	(25,849,988,276)
1-12	2053	3,042	2,844,377	320,581,024	2,268	4,451,557	(358,119,904)	(2,027,713,221)	(28,235,821,401)
1-12	2054	2,478	2,265,749	285,951,499	1,304	3,770,881	(322,190,471)	(2,212,179,339)	(30,770,191,210)
1-12	2055	2,004	1,792,838	252,666,289	621	3,164,973	(287,457,936)	(2,408,265,928)	(33,465,915,074)
1-12	2056	1,609	1,408,365	221,258,020	146	2,631,814	(254,039,045)	(2,616,969,091)	(36,336,923,209)
1-12	2057	1,282	1,098,098	192,187,724	-	2,179,451	(222,481,615)	(2,839,394,641)	(39,398,799,465)
1-12	2058	1,014	849,487	165,866,008	-	1,799,993	(193,269,076)	(3,076,775,834)	(42,668,844,375)
1-12	2059	797	652,253	142,176,578	-	1,472,375	(166,816,515)	(3,330,477,537)	(46,166,138,427)
1-12	2060	622	497,463	120,954,932	-	1,194,991	(142,996,700)	(3,601,985,040)	(49,911,120,166)
1-12	2061	483	376,918	102,147,282	-	962,495	(121,652,460)	(3,892,882,981)	(53,925,655,606)
1-12	2062	372	283,535	85,666,565	-	770,179	(102,732,858)	(4,204,872,656)	(58,233,261,120)
1-12	2063	285	211,764	71,402,955	-	613,851	(86,153,209)	(4,539,783,041)	(62,859,197,370)
1-12	2064	217	157,036	59,186,360	-	485,423	(71,805,042)	(4,899,577,984)	(67,830,580,396)
1-12	2065	164	115,658	48,775,929	-	379,855	(59,514,747)	(5,286,363,648)	(73,176,458,791)
1-12	2066	123	84,654	39,937,949	-	294,824	(49,040,126)	(5,702,393,942)	(78,927,892,860)
1-12	2067	92	61,567	32,503,311	-	227,395	(40,148,119)	(6,150,079,213)	(85,118,120,191)
1-12	2068	68	44,468	26,282,034	-	174,378	(32,669,139)	(6,632,001,796)	(91,782,791,126)
1-6	2069	60	15,650	9,362,554	-	59,573	(26,411,943)	(7,150,931,817)	(98,960,134,887)
							(9,406,476)	(3,142,108,182)	(102,111,649,545)

Attachment J

Attachment J

CalPERS LTC Program
 Analysis of Historical Claims Experience
 Inception Through 12/31/2008

Calendar Year	YE Enrollment	Exposed Life-Years	Net Premiums	As of 6/30/09 # of Incurred Claims	Estimated Incidence	Incidence Trend	# of Open Claims at Each Year-End	# of Open Claims Trend	% of Exposed Life-Years On Claim	# of Closed Claims at Each Year-End	As of 6/30/09 Unadj'd Avg Incurred Claim	Severity Trend	Total Incurred Claims	Incurred Claim Trend	Incurred Loss Ratio	Paid Claims	Paid Claim Trend	Paid Loss Ratio	Expenses	Expense Ratio	Incurred Claim + Expense Ratio	Paid Claim + Expense Ratio
1995	28,186	9,845	12,740,825	16	0.16%	N/A	16	N/A	0.16%	-	189,221	N/A	3,027,543	N/A	23.76%	38,616	N/A	0.30%	6,341,561	49.77%	73.54%	50.08%
1996	68,354	45,449	58,979,126	90	0.20%	21.85%	87	443.75%	0.19%	19	79,472	-58.00%	7,152,498	136.25%	12.13%	432,348	1019.62%	0.73%	14,961,888	25.37%	37.50%	26.10%
1997	98,549	79,222	98,481,888	182	0.23%	16.01%	207	137.93%	0.26%	81	78,151	-1.66%	14,223,529	98.86%	14.44%	2,202,499	409.43%	2.24%	12,537,201	12.73%	27.17%	14.97%
1998	114,040	103,188	126,034,654	260	0.25%	9.68%	368	77.78%	0.36%	180	88,548	13.30%	23,022,362	61.86%	18.27%	5,188,028	135.55%	4.12%	12,744,996	10.11%	28.38%	14.23%
1999	128,544	119,213	145,838,733	359	0.30%	19.52%	570	54.89%	0.48%	337	89,665	1.26%	32,189,774	39.82%	22.07%	9,253,427	78.36%	6.34%	11,684,674	8.01%	30.08%	14.36%
2000	143,939	133,772	161,617,064	583	0.44%	44.72%	924	62.11%	0.69%	566	91,280	1.80%	53,216,204	65.32%	32.93%	14,974,944	61.83%	9.27%	13,005,669	8.05%	40.97%	17.31%
2001	158,655	148,454	179,364,746	697	0.47%	7.73%	1,249	35.17%	0.84%	938	93,794	2.75%	65,374,174	22.85%	36.45%	23,661,955	58.01%	13.19%	15,266,985	8.51%	44.96%	21.70%
2002	171,879	162,320	195,102,721	819	0.50%	7.47%	1,598	27.94%	0.98%	1,408	91,469	-2.48%	74,913,257	14.59%	38.40%	33,941,329	43.44%	17.40%	15,213,077	7.80%	46.19%	25.19%
2003	175,157	172,456	208,817,380	942	0.55%	8.26%	2,000	25.16%	1.16%	1,948	101,439	10.90%	95,555,091	27.55%	45.76%	45,969,570	35.44%	22.01%	16,258,535	7.79%	53.55%	29.80%
2004	175,105	173,091	238,527,919	1,041	0.60%	10.10%	2,352	17.60%	1.36%	2,637	106,215	4.71%	110,569,824	15.71%	46.36%	57,155,228	24.33%	23.96%	15,130,073	6.34%	52.70%	30.30%
2005	176,314	173,645	243,935,273	1,153	0.66%	10.41%	2,699	14.75%	1.55%	3,443	105,334	-0.83%	121,450,290	9.84%	49.79%	72,082,430	26.12%	29.55%	16,597,546	6.80%	56.59%	36.35%
2006	173,269	173,541	243,693,901	1,233	0.71%	7.00%	3,053	13.12%	1.76%	4,322	115,819	9.95%	142,804,588	17.58%	58.60%	81,334,872	12.84%	33.38%	17,259,584	7.08%	65.68%	40.46%
2007	170,218	171,080	272,909,192	1,376	0.80%	13.20%	3,439	12.64%	2.01%	5,312	125,144	8.05%	172,197,680	20.58%	63.10%	91,698,670	12.74%	33.60%	18,395,176	6.74%	69.84%	40.34%
2008*	167,098	167,855	300,422,655	1,347	0.80%	-0.23%	3,771	9.65%	2.25%	6,327	144,430	15.41%	194,547,444	12.98%	64.76%	106,396,161	16.03%	35.42%	17,030,054	5.67%	70.43%	41.08%
Totals			2,486,466,078	10,098							109,947		1,110,244,260		44.65%	544,330,077		21.89%	202,427,020	8.14%	52.79%	30.03%

* - Excludes IBNR claims and amounts

Attachment K

Attachment K

Glossary of Terms

Base Case – The results of a projection using the “best estimate” assumptions in the LTC Valuation. All sensitivity projections are done relative to this Base Case.

Benefit Period - This is the period of time that an insured would receive benefits if the full maximum daily benefit amount is paid each day an insured is on claim. If less than the maximum daily benefit amount is paid, the length of time that a claimant would receive benefits would be greater than this time period.

Claim Costs – Product of the expected claims frequency (incidence) and the expected average claim (severity) based on assumed continuance.

Claim Payment Distributions – Allocates incurred claims to payment durations (monthly for CalPERS valuation).

Comprehensive Plan – A plan that covers home health care (HHC) in addition to care in a nursing home or an assisted living facility.

Continuance – Refers to the period of time that a policyholder continues to be on claim after a claim has begun.

Credible – A statistical measure of the degree to which data is considered reliable for predictive purposes. Credibility increases as a block of business grows and over time as more data accumulates.

Credibility-Weighted Claim Costs– When actual claim costs from a block of business are not fully credible, data from outside inputs (such as national data sources) would be used to supplement the block’s experience. A percentage of each source of claim costs is used such that the two percentages add to 100 percent. The percentage of actual block experience used would be based on the credibility of that block, and the remaining percentage would be attributed to the outside input. For CalPERS, the percentages are split between experience claim costs and manual claim costs (national data).

Deficit – A calculation that determines the degree to which the current fund value is insufficient to pay future benefits expressed as a percentage of the present value of future premiums. This number is an estimate of what level of a rate increase is needed to bring the Program back to a zero margin. If the current fund value is more than enough to pay future benefits, a positive number represents a surplus. In formula terms:

$$\{ \text{Current Fund Balance} + \text{Present Value of Premiums} + \text{Present Value of Investment Earnings} - \text{Present Value of Benefits and Expenses} \} / \text{Present Value of Premiums}$$

Disabled Life Reserve – The present value of future claim payments for those members currently on claim.

Attachment K

Glossary of Terms

Discount Rate— An interest rate used to reduce projected future cash flows and determine present values. For CalPERS, the discount rate is set equal to the expected investment earnings.

Duration – The amount of time, typically measured in years, since the issue date of the policy. Duration is sometimes referred to as policy year.

Elimination Period - This is the period of time that the member pays for care before the benefits are paid from insurance proceeds.

Facility-Only Plan – This type of plan pays for care in a nursing home or assisted living facility, but not for care at home or in the community.

Fully-Credible Claim Costs – Experience claim costs from a block of business large enough and/or that has been active long enough such that the claims data is fully credible on its own. In other words, the claims data from the block is used without outside data input (such as from national data sources).

Gross-Up Factors – When reviewing claims experience, the incidence of claims from early durations tend to be lower than later durations for similar attained ages, which is a result of the underwriting process. For claim cost development, early claims are adjusted by these factors to put them at ultimate levels. The purpose of doing so is to express all claims on a consistent basis for evaluation purposes, which allows for the combination of results at various durations.

Incidence - The number of policyholders that start a claim as a percentage of policyholders that could start a claim over a specified time period (i.e., frequency of claim).

Incurred Claims – Claims that have already taken place, but may or may not have been paid and recorded. Incurred claims are made up of paid claims plus a reserve representing the assumed continuance of claims on known claimants which have yet to be paid as well as claims that have begun on unknown claimants but have not yet been reported. The amount of the latter unpaid claims is referred to as the IBNR (Incurred But Not Reported) Reserve.

Inflation Coverage – An optional feature that increases the amount of available benefits over time in order to protect a policyholder against rising health care costs. The CalPERS' inflation coverage feature increases the amount of benefits by 5% per year. This compounding of available benefits in combination with the higher than expected persistency is one of the primary causes of the past and current deficits.

Interpolation – A process used to estimate an intermediate value when the surrounding values are known.

Attachment K

Glossary of Terms

LTC1, LTC2, LTC3 - Three different long-term care insurance plans sold to CalPERS members. Main differences between the plans are the percents of daily benefit for the Home Health Care (HHC) and Assisted Living Facility (ALF) care that are available at the time of claim in comparison to the Nursing Home (NH) coverage for comprehensive policies. A summary of those benefits and the initial issue year is shown below.

LTC1 (1995) – NH (100%) / ALF (50%) / 50% HHC

LTC2 (2003) – NH (100%) / ALF (70%) / 50% HHC

LTC3 (2005) – NH (100%) / ALF (70%) / 70% HHC

Model – An actuarial tool used to project future cash flows including premiums, claims, investment returns, and expenses.

Morbidity – The overall term for the various assumptions underlying the expected claims of a block of business.

Mortality - The rate of incidence of death.

Partnership Plan - A Partnership Program is a collaboration or “partnership” between state government, insurance companies, and state residents who buy long-term care Partnership policies. The purpose of the Partnership program is to encourage individuals to purchase LTC coverage and save the state money by increasing private funding of LTC services and thereby reducing Medicaid payments for LTC. The advantage of the partnership plan for a member is that once his/her insurance coverage is exhausted, his/her assets in an amount equal to the amount of insurance coverage used is protected when qualifying for Medicaid payments for LTC.

Persistency – The number of policyholders that remain active relative to the total number that started from one time period to another. Historically, LTC persistency has been higher than what was originally expected for CalPERS and the LTC industry as a whole. Because of the stronger than expected persistency, more members are ultimately expected to submit claims than were originally priced for, which puts additional financial strain on a LTC program.

Present value – A calculation that expresses future cash flows in a current cash equivalent amount based on assumed future interest rates (the Discount Rate).

Return of Premium or ROP – Returns some or all of a member’s premiums less any benefits paid to the spouse or estate if the member dies before age 75. This is a built-in option for some of CalPERS’ plans.

Selection Factors – Factors used to adjust attained age or ultimate claim costs to levels reflecting recent underwriting/issue, therefore reducing (in general) claim costs associated with those policies. Selection factors are also used for the mortality assumption.

Attachment K

Glossary of Terms

Seriatim Basis – Using policy-by-policy data in its full detail without any initial grouping or summing.

Terminations – The policies that are no longer active due to death, voluntary lapse, or any other reason.

Ultimate Claim Costs (Factors) – Also referred to as attained age claim costs; it represents the claim costs after underwriting selection wears off.

Underwriting Selection Wear-off – Refers to the time period after which underwriting is assumed to no longer have an impact on claim levels.

Underwriting Type – Underwriting is the process of evaluating and selecting risks to be insured. Three types of underwriting were utilized at various times by CalPERS:

MGI - Modified Guaranteed Issue; limited underwriting for younger applicants actively at work

SF – Short Form; simplified application process with limited medical evaluation for younger applicants.

LF – Long Form; considered “full underwriting” due to the comprehensive nature of medical questions asked and the associated underwriting process.

Currently, CalPERS only uses the long form of application for underwriting and has done so since 2002.

Voluntary Lapsation – When a policyholder chooses to terminate his/her policy of his/her own volition - not due to death or other limitation on renewing contained within the policy.

Waiver of Premium or WOP – A benefit provision in a policy that allows the insured to stop making premium payments during the time when they meet specified disabling conditions such as being eligible to be on LTC claim.